



# THE UNIVERSITY *of* EDINBURGH

This thesis has been submitted in fulfilment of the requirements for a postgraduate degree (e.g. PhD, MPhil, DClínPsychol) at the University of Edinburgh. Please note the following terms and conditions of use:

- This work is protected by copyright and other intellectual property rights, which are retained by the thesis author, unless otherwise stated.
- A copy can be downloaded for personal non-commercial research or study, without prior permission or charge.
- This thesis cannot be reproduced or quoted extensively from without first obtaining permission in writing from the author.
- The content must not be changed in any way or sold commercially in any format or medium without the formal permission of the author.
- When referring to this work, full bibliographic details including the author, title, awarding institution and date of the thesis must be given.

INDUSTRIAL DEMOCRACY, INCORPORATION AND CONTROL:  
BRITAIN, 1945-1980

D  
Michael Gold

Thesis presented for the Degree of Doctor of Philosophy  
to the University of Edinburgh, 1982



## ABSTRACT

The principal purpose of this thesis is to explain the significance of moves towards industrial democracy in Britain since the Second World War. It attempts not only to outline a comprehensive 'conceptual map' of the literature on the subject, but also to define the limits of what industrial democracy - in its various forms - can achieve within the context of an advanced, neo-capitalist society.

Part I contains a sustained critique of liberal pluralist approaches to industrial relations which leads, in Part II, to an analysis of power relations in industry focusing on the Gramscian concepts of 'hegemony' and 'contradictory consciousness'. It is shown that, although workers often express socially consensual attitudes in abstract terms, their behaviour reflects conflictual responses whenever their interests are threatened on the shop-floor. However, the 'non-observable' aspects of power (such as property relations, the legal framework and the division of labour) constrain the kinds of action workers may undertake through its 'observable' aspects (such as collective bargaining or consultation). In Part III, it is argued that managements try to use forms of industrial democracy to incorporate workers' behaviour - many of their organizations already having been incorporated - but that such attempts tend to fail because of structural tensions at the non-observable level. Since unions also use forms of industrial democracy to extend their own marginal power, the meaning of the term is best seen as centring on the 'frontier of control' between the two sides of industry and analysable by level, area (or subject matter) and method of influence. The development of industrial democracy in these terms - with particular reference to job-restructuring, consultation, collective bargaining and worker directors - is examined for the period 1945-1980. It is found that both sides of industry use different forms of industrial democracy in an opportunistic way to pursue their own interests at the 'frontier of control'. Part IV, however, investigates the circumstances in which groups of workers have tried to 'break through' the institutional framework of the 'non-observable' aspects of power in order to establish an organization of industry which structurally favours their own interests. The role of union trustees on the boards of occupational pension funds is investigated, as are work-ins, social audits, co-operatives and workers' alternative corporate plans. The thesis concludes that democratic planning must be systematically introduced at all levels of industry if radical industrial democracy is to flourish.

---

## CONTENTS

	<u>Page No.</u>
List of Abbreviations	(i)
Preface	(iv)
Introduction	(viii)
 <u>PART I - CRITIQUE OF LIBERAL PLURALISM</u>	
<u>Chapter One</u>	1
The Industrial Revolution and its Consequences	1
The Evolution of Management	4
Management Perspectives	7
(1) Unitarism	8
(2) Pluralism	14
The Emergence of Pluralism	17
 <u>Chapter Two</u>	 24
The 'Oxford School'	24
Flanders' Theoretical Analysis	27
Flanders and Fox: from Donovan to Durkheim	34
A Critique of Flanders	38
(1) Durkheim and Flanders on Solidarity	39
(2) Durkheim and Flanders on Equality of Opportunity	42
(3) Fox's Neo-Durkheimian Critique of the 'Oxford School'	48
 <u>PART II - POWER AND INCORPORATION</u>	
 <u>Chapter Three</u>	 60
Fox, Giddens and Lukes on Power	61
The 'Observable' Aspect of Power	68
The 'Non-observable' Aspect of Power	72
(1) Gramsci and 'Bourgeois Hegemony'	73
(2) Contradictory Consciousness	85
 <u>Chapter Four</u>	 93
The Relevance of Incorporation Theory	94
The Object of Incorporation	97
Areas of Incorporation	99
(1) Political Incorporation	100
(2) Economic Incorporation	107
(3) Levels of Incorporation in Industry	113



<u>Chapter Five</u>	121
The Determinants of Work-place Behaviour	122
(1) Marxist Critiques of the 'Affluent Worker'	124
(2) Social Action Critique	128
Behavioural Rationales	131
A Typology of Behavioural Rationales	137

PART III - INDUSTRIAL DEMOCRACY: SOCIAL STRUCTURE

<u>Chapter Six</u>	145
Approaches to Industrial Democracy	146
Aspects of Industrial Democracy	153
(1) Job Restructuring	153
(2) Joint Consultation	155
(3) Collective Bargaining	157
(4) Worker Directors	160
(5) Industry and Government Levels	162
A Theory of Industrial Democracy	162
(1) Property Relations	168
(2) Changing Dimensions	172

<u>Chapter Seven</u>	175
Development of Industrial Democracy till 1945	176
1945-1951	181
1951-1964	186
1964-1970	191

<u>Chapter Eight</u>	205
Direct Control, 1970-1974	206
'Post-material Values' and Job Restructuring	207
Extension of Collective Bargaining and Industrial Strategy	212
Board-level Representation	216
(1) Pressures towards Worker Directors	217
(2) Attitudes towards Worker Directors	224
Direct Control from 1979	241

PART IV - INDUSTRIAL DEMOCRACY: ALTERNATIVES

<u>Chapter Nine</u>	245
Historical Background of Occupational Pension Funds (OPFs)	246
OPFs and Investment	248
The Management of OPFs	249

Lucas Staff and Works OPFs	251
(1) Structure of Union Involvement	252
(2) Unions' Lack of Influence on Investment Planning	255
(3) Structure of Management Involvement	257
(4) Alternative Union Policies towards Investment	261
 <u>Chapter Ten</u>	 270
Management and the Right to Dispose of Property	270
The UCS Work-in	273
(1) Economic Conditions and Militancy	277
(2) Origins of the Work-in	279
The Social Audit	284
 <u>Chapter Eleven</u>	 287
Sit-ins, Work-ins and Co-operatives	289
(1) Establishment of Co-operatives	289
(2) Co-operatives, Finance and Private Property	293
Workers' Alternative Corporate Plans (ACPs)	299
Assessment of ACPs	304
 <u>Chapter Twelve: CONCLUSIONS</u>	 309
 Methodological Appendix	 319
Notes and References to:	
Introduction	323
Chapter One	324-328
Chapter Two	329-332
Chapter Three	333-336
Chapter Four	337-341
Chapter Five	342-345
Chapter Six	346-350
Chapter Seven	351-356
Chapter Eight	357-365
Chapter Nine	366-367
Chapter Ten	368-370
Chapter Eleven	371-375
Conclusions	376
 Select Bibliography	 377-382

ABBREVIATIONS

ACAS	Advisory, Conciliation and Arbitration Service
ACP	Alternative Corporate Plan
AGM	Annual General Meeting
APEX	Association of Professional, Executive, Clerical and Computer Staff
ASTMS	Association of Scientific, Technical and Managerial Staffs
AUEW	Amalgamated Union of Engineering Workers
BIFU	Banking, Insurance and Finance Union (formerly NUBE)
BIM	British Institute of Management
BSC	British Steel Corporation
CAC	Central Arbitration Committee
CAITS	Centre for Alternative Industrial and Technological Systems
CBI	Confederation of British Industry
CDA	Co-operative Development Agency
CIR	Commission on Industrial Relations
CPGB	Communist Party of Great Britain
CSEU	Confederation of Shipbuilding and Engineering Unions
CTU	Conservative Trade Unionists
DEA	Department of Economic Affairs
DHSS	Department of Health and Social Security
EEC	European Economic Community
EEF	Engineering Employers' Federation
EET/PU	Electrical, Electronic, Telecommunications and Plumbing Union
EPA	Employment Protection Act (1975)
GMWU	General and Municipal Workers' Union
HSWA	Health and Safety at Work Act (1974)
IAC	Investment Advisory Committee
ICFTU	International Confederation of Free Trade Unions
ICOF	Industrial Common Ownership Fund
ICOM	Industrial Common Ownership Movement
IDC	Industrial Democracy Commission

ILO	International Labour Organization
IMF	International Monetary Fund
IoD	Institute of Directors
IPM	Institute of Personnel Management
IRA	Industrial Relations Act (1971)
IWC	Institute for Workers' Control
IWS	Industrial Welfare Society
JCC	Joint Consultation Committee
JPC	Joint Production Committee
JRC	Joint Representation Committee
KME	Kirkby Manufacturing and Engineering (Co-operative)
LACSSC	Lucas Aerospace Combine Shop Stewards' Committee
MSC	Manpower Services Commission
NAPF	National Association of Pension Funds
NCB	National Coal Board
NEB	National Enterprise Board
NEC	National Executive Committee
NEDC	National Economic Development Council
NELP	North East London Polytechnic
NFBTE	National Federation of Building Trades Employers
NJAC	National Joint Advisory Council
NNC	National Negotiating Committee
NUBE	National Union of Bank Employees (now BIFU)
NUTGW	National Union of Tailors and Garment Workers
OECD	Organization for Economic Co-operation and Development
OPB	Occupational Pensions Board
OPF	Occupational Pension Fund
SDN	Scottish Daily News (Co-operative)
SIB	Shipbuilding Industries Board
SPF	Staff Pension Fund
SSRC	Social Science Research Council
STUC	Scottish Trade Union Congress
TASS	Technical, Administrative, Supervisory Section (of AUEW)
TGWU	Transport and General Workers' Union
TUC	Trades Union Congress

TULRA Trade Union and Labour Relations Acts (1974  
and 1976)  
TURU Trade Union Research Unit

UCS Upper Clyde Shipbuilders

WEA Workers' Educational Association  
WPF Works Pension Fund

#### Journals:

ASR American Sociological Review

BJIR British Journal of Industrial Relations  
BJS British Journal of Sociology

JMS Journal of Management Studies

Socialist The Socialist Register, ed. Ralph Miliband and  
Register John Saville (London: Merlin Press)  
Sociol. Rev. The Sociological Review

#### Publishers:

BBC British Broadcasting Corporation

CUP Cambridge University Press

HMSO Her Majesty's Stationery Office

OUP Oxford University Press

RKP Routledge and Kegan Paul

#### Reports:

Bullock Report Report of the Committee of Inquiry on Industrial  
Democracy, Chairman Lord Bullock, Cmnd. 6706  
(London: HMSO, 1977)

Donovan Report Royal Commission on Trade Unions and Employers'  
Associations 1965-1968, Chairman The Rt. Hon.  
Lord Donovan, Cmnd. 3623 (London: HMSO, 1968)

PREFACE

'Industrial democracy' is a puzzling expression. We all know what industry is, and we all know - or like to think we know - what democracy is, but the two terms together make an uneasy alliance. The organization of British industry, with its foundation in private property and the hierarchical division of labour, would appear to contradict the very principles of democracy which are based on accountability and equality.

This is indeed so, and it is pointless to try and avoid the resulting confusions. For this reason, the development of industrial democracy must be set squarely in the context of existing power relations in industry. Such an approach dispels some of the confusion because it highlights the different interests which the two sides of industry have in industrial democracy: incorporation of labour from the point of view of management, and control of management from the point of view of labour. Hence the title: industrial democracy, incorporation and control.

The thesis concentrates more on the shop-floor than on other levels of industry and - importantly - more on what people do than what they say: it is more concerned with how people behave, and how they justify their behaviour, than with their intentions, prescriptions and programmes. Finally, the thesis is interested in how behaviour is moulded through social structures and frameworks, and the circumstances in which 'ordinary' people may succeed in breaking through them to construct more satisfactory, less oppressive social alternatives.

The argument is developed from first principles in order to appeal to as wide a potential readership as possible. That is, it assumes little specialist knowledge on the part of the reader about industrial relations theory in general or industrial democracy in particular. The reasons for this approach are fully explained in the Methodological Appendix.

Throughout the text, male personal adjectives and pronouns are intended to apply to females as well. Their use reflects only the clumsiness of continually specifying 'he or she' and so on, and not any sexism on my part.

Acknowledgements in a work of this kind are many.

First of all, I should like to thank my two supervisors for their encouragement and guidance - Dr. John Orr in the early stages and Professor Gianfranco Poggi in the later stages. Professor Tom Burns had some valuable advice to give at one or two awkward points in the formulation of my theme.

Then there are two groups of friends and colleagues without whose support nothing would ever have got done. There are those who share a specialist knowledge of the subject and enjoy technical discussions: over the years I should single out John Holford and John Rodger for special mention because without them my time at Edinburgh and since would have been significantly less rewarding. Thanks as well to Bernard Casey, Hugo Levie and Roy Moore at Ruskin College, Oxford, in whose company I really began to appreciate what industrial relations are all about.

The other group of friends all have a touch of nobility about them because they encouraged the author through setbacks and tantrums without always, I fancy, understanding exactly what all the fuss was about. Apologies to those many whom I cannot name here, but heartfelt gratitude to all of them over the years, including Chris and Eva Barnes, Aline de Bièvre, Hester Casey, Andy Erlam, Jan Fraser, Chris Parsons (always good for a trauma), Hilary Rankin and Pam Rodger. Most especially of all, though, to Irene McKay ....

I am indebted to A. H. McIntosh, Scottish and Newcastle Breweries, Tannoy, and Wilkie and Paul for allowing me visits and discussions with management and employees. I am also indebted to a number of libraries whose staff have always been so obliging and patient: those of the Labour Party; the Trades Union Congress; Reading University; Ruskin College, Oxford; the Bodleian, Oxford; the Scottish National Library, Edinburgh - and most of all, the University of Edinburgh itself.

My thanks as well to Violet Laidlaw, Secretary of the Sociology Department, and to Isobel S. Geddie, Secretary to the Faculty of Social Sciences Postgraduate Studies Committee, for their long-suffering help on administrative matters relating to the University. Thanks also to Peggy Owen, my typist, for coping so admirably with piles of handwritten manuscript, and to Jan Fraser for helping to check the proofs. The music of Jean-Michel Jarre, by the way, was very soothing whilst writing this up and I recommend it to others.

The research was financed principally by a three-year studentship from the SSRC and by supplementary benefits from the DESS during two periods of enforced unemployment.



Finally, I should like to dedicate this thesis to my parents, without whose unswerving material and moral support it would almost certainly not have been completed.

Michael Gold

9 May 1982

## INTRODUCTION

The principal purpose of this thesis is to explain the significance of moves towards industrial democracy in Britain since the Second World War. It attempts to do this not only by outlining a comprehensive 'conceptual map' of the literature on the subject but also by defining the limits of what industrial democracy - in its various forms - can achieve within the context of an advanced neo-capitalist society.

It is on this second problem - the limits of industrial democracy - that most attention is focused. The course of discussion raises a series of interwoven secondary themes, each one of which corresponds to one of the four Parts into which the thesis is divided:

Part I contains a sustained critique of the inadequacies of liberal pluralist approaches to industrial relations theory;

Part II analyses power relations in industry with reference to the Gramscian notions of 'hegemony' and 'contradictory consciousness' and to the role of incorporation theory in attempts to deal with conflictual behaviour on the shop-floor;

Part III defines the 'frontier of control' as the central feature of industrial democracy and examines the conditions under which it has shifted to-and-fro between management and labour since the War; and

Part IV investigates the circumstances under which labour may be able to 'break through' the framework in which it functions in order to establish an organization of industry which structurally favours its own interests.

These secondary themes are all interrelated. Much of the confusion surrounding the industrial democracy debate - for example, over the extent to which the introduction of various schemes could establish industrial consensus - stems from inconsistencies in even the most sophisticated liberal pluralist approaches to industrial relations. Since such approaches still maintain their hold on many theorists, it is worthwhile to examine their assumptions at length. An analysis of power relations in industry reveals that, although these schemes may increase workers' 'observable' influence at different levels of industry (for example through participation committees), the mainsprings of conflict at a structural or 'non-observable' level (such as property relations, the profit motive, and the legal framework) remain untouched. As a result, conflict too remains endemic.

The 'corporate bias' identified by some writers as a feature of British industrial life leaves out of account workers' own perceptions of their interests, perceptions coloured by this endemic conflict. According to Middlemas, for instance:

"Before 1911, the greatest problem was how to assimilate working-class power into the forms of the political nation; in the inter-war years, how to incorporate the institutions of working-class industrial life. Now, there are no more organizations or classes to incorporate (unless the concept of class is strained to include categories such as the unemployed, women or youths) and the problem is to satisfy individual, multiple aspirations, and remedy the structural rigidities of traditional parties and of traditional trade unions."<sup>1</sup>

This observation fails to notice a crucial distinction between working class institutions - such as trade union bureaucracies - and working class experiences on the shop-floor. It is not that "there

are no more organizations or classes to incorporate", but rather that, whilst some aspects of working class life have been incorporated, others most certainly have not been - indeed the Donovan Report in the 1960s was set up in an effort to cure the 'diseases' of unofficial strikes, restrictive practices and wage drift. Working class behaviour on the shop-floor has remained conflictual and unincorporated because the very structure of industry itself stimulates conflict; private ownership establishes a gulf between the interests of those who control (and their agents) and those who are controlled; the division of labour leads to wide differentials and divergencies in working conditions between managements and work-force; and the profit motive and capital accumulation lead to industrial rationalisation, plant closures and structural unemployment. The effects are bewilderment, resentment and conflict on the shop-floor and the systematic ruling out of genuine consensus. Even so, such experiences rarely get translated into anything more serious than strikes or riots - and usually little more than absenteeism and turnover - because in Britain the only countervailing ideology widely available to workers is labourism, which seeks at most to re-distribute income and wealth within neo-capitalism, and not to transcend its structure.

As a result, industrial democracy may be viewed as the 'frontier of control' - to use Goodrich's phrase<sup>2</sup> - between management and labour. For management, it involves the attempt to incorporate working class interests on the shop-floor through, for example, job re-structuring or joint consultation, or at corporate level through, for example, minority employee representation on company boards. For organized labour, it involves the attempt to consolidate or gain

extra influence at the margins through extending collective bargaining, or perhaps through parity union representation on boards. In either case, industrial democracy can be analysed by level (e.g. work-place, company, industry); by area or issue (e.g. canteen facilities, methods of payment, investment planning); and by degree of influence (e.g. consultation, negotiation, control). In the overwhelming majority of these cases, industrial democracy takes place within a given context of 'non-observable' power relations which guarantees ultimate control to management.

However, in certain circumstances, this is not all that industrial democracy might mean to organized labour. Occasionally, it may come to mean a strategy for breaking the framework itself of industrial life.

"Once one has grown accustomed to thinking within the frame of the inherited normative system, which offers the assurance of a 'beaten track', it becomes difficult to step aside and inspect the system from the outside, in the same way as it is difficult for creatures living two-dimensional lives on the surface of a sphere, to cite Einstein's famous example, to suspect the existence of a third dimension."<sup>3</sup>

Yet trade union trustees on the board of a pension fund may attempt to direct money into investments which create employment rather than short-term profits. Work-ins, sit-ins and social audits defy the right of owners to dispose freely of industrial assets when this disposal creates redundancies and run-down communities. The development of producer co-operatives erodes the division of labour between management and work-force, whilst in larger companies alternative workers' corporate plans challenge management's right to close plants by advocating alternative investment programmes for socially useful

products.

Although governments may give more, less or no support to these radical forms of industrial democracy, they all represent bold challenges to the "beaten track" of industrial operations under neo-capitalism. To that extent, they all offer glimpses of "how we might live".<sup>4</sup>

Part I: Chapter One outlines the familiar differences between unitary and pluralist approaches to industrial relations, whilst Chapter Two turns to the contribution of Flanders to pluralist theory, highlighting the one-sided nature of his account of Durkheim which Fox attempts - but fails - to rectify satisfactorily.

Part II: Chapter Three examines the work of Fox, Giddens, Lukes and Gramsci in drawing attention to a dichotomy in the study of power: 'observable' aspects - such as decision-making, law enactment, democratic procedure and so on - and 'non-observable' aspects which include 'taken for granted' institutional arrangements reflecting inequalities in property ownership, the division of labour, and so on. Chapter Four illustrates how working class institutions at the observable level of power have been incorporated whilst Chapter Five concentrates on working class industrial behaviour. It shows that although workers often express consensual attitudes in abstract terms, their behaviour reflects conflictual responses whenever their interests are threatened on the shop-floor. However, they tend to lack the counter-ideology necessary to challenge the industrial structure at its roots, though it is this structure which engenders conflict in the first place.

Part III: Chapter Six suggests that industrial democracy has been the main method utilised by managements to incorporate working class conflictual behaviour. The meaning of the term centres on the shop-floor 'frontier of control' and schemes can be analysed in a three-dimensional approach by level, area and degree of influence. Chapter Seven investigates the balance of this 'frontier of control' between 1945 and 1970, and Chapter Eight looks at the same issues between 1970 and 1980. Both these chapters restrict their analysis to schemes operating within the overall control structure of industry.

Part IV: Chapter Nine, however, looks at the attempts of union trustees to democratise the investment policies of their pension funds. Chapter Ten examines the significance of the Upper Clyde Shipbuilders' work-in for subsequent sit-ins and work-ins, as well as for the development of the social audit, and Chapter Eleven examines in a similar way the role of co-operatives and alternative corporate plans in elaborating more radical forms of industrial democracy to come to grips with the non-observable aspects of industrial power.

The thesis concludes that democratic planning at all levels of industry must be systematically introduced if radical industrial democracy is to stand a chance - but that as liberal pluralist solutions are seen to fail, given the nature of neo-capitalist institutions, the prospects for such planning are dim without hard work. Authoritarian solutions imposed from the Right may be more likely.

P A R T   O N E

"A main cause of philosophical disease - a one-sided diet: one nourishes one's thinking with only one kind of example."

Ludwig Wittgenstein, Philosophical Investigations  
(Oxford: Basil Blackwell, 1968), para. 593, p.155<sup>e</sup>.



## CHAPTER ONE

### The Industrial Revolution and its Consequences

Did the Industrial Revolution make the working classes better off, or not?<sup>1</sup> It would be fruitless to try and reach agreement on such a question. Answers would necessarily make moral and political assumptions about what is meant by the "standard of living". On the one hand it could be maintained that life in the agricultural villages had been short and hard and that industrialisation led to the development of initiative in trade and commerce which, in turn, led to a considerable growth in real income. On the other hand, emphasis could be placed on the social disruption which resulted: rapid urbanisation and the growth of slums, the harsh discipline of factory life, poor hygiene, periods of mass unemployment and so on.<sup>2</sup>

These two attitudes towards industrialisation are not altogether mutually exclusive. Marx, for example, admires the accomplishments of the bourgeoisie, the property-owning class responsible for "wonders far surpassing Egyptian pyramids, Roman aqueducts and Gothic cathedrals", whilst condemning their methods as a class, and their "naked, shameless, direct, brutal exploitation".<sup>3</sup> For him, the two aspects - accomplishments and methods - are inextricably linked, for once bourgeois property relations are destroyed then the exploitation which they created is destroyed as well and the classless society which emerges will be free to enjoy the benefits of capital accumulation in a fully equal manner: "... the free development of each is the condition of the free development of all".<sup>4</sup>

However, many writers would agree that, when evaluating the consequences of the Industrial Revolution, a conceptual problem always remains: "the insoluble difficulty (is) the inability to compare changes in real income with changes in the social and economic circumstances under which people live and work".<sup>5</sup> The point is that people have two sets of interests which need to be weighed up: as consumers, with an ability to command disposable income, and as producers, with an ability to influence the quality of their working conditions. These two sets of interests may conflict if a social system tends to satisfy - for example - the first set at the expense of the second.

There is, however, considerably less difficulty in establishing the historical facts of the Industrial Revolution:

"... the Industrial Revolution had in the Victorian era increased the disparity of wealth between the very rich and the very poor, and had segregated classes geographically by substituting great cities divided into various social quarters, in the place of the life of villages and market towns with some features and interests common to all. But industrial change had also increased the number of middle classes of varying levels of wealth and comfort; and it had raised the standard of life of the better-to-do working classes, such as engineers, far above that of the unskilled labourer and slum-dweller."<sup>6</sup>

Such inequalities of power and conditions form the background against which the first trade unions - with the craft unions taking the lead - were formed in the early 19th century. The story of their early struggle is well-known and does not require detailed exposition here.<sup>7</sup> But accepting for the moment the crude version of the Marxist social dichotomy into the bourgeoisie (the owners of the means of production) and the proletariat (those who own nothing

but their labour power which they sell to live), it is not hard to view the development of the Labour movement in the last century as a contest for power between the two main classes - albeit within a reformist and, as a rule, not revolutionary framework. The repeal of the Combination Laws in 1824 and 1825 allowed organizations of workmen to agree wages and hours with their employers; the disillusion of the working class with the 1832 Reform Act hastened the formation of the Grand National Consolidated Trade Union in 1834 which collapsed the same year as a consequence of the case of the Tolpuddle Martyrs; the emergence of Chartism between 1836 and 1848; the setting up of the Trades Union Congress in 1868 and the first Representation of the People Act in 1867, which extended adult male suffrage, eased the introduction between 1871 and 1875 of a series of emancipatory statutes exempting unions from charges of criminal conspiracy; the rise of the 'new unionism' - organizations of the unskilled - after 1889, the year of the Great Dock Strike; the gradual development of the Labour movement's political activity both inside and outside Parliament, culminating in the formation of the Labour Representation Committee - the precursor of the Labour Party - in 1900; and the eventual passing in 1906 of the Trades Disputes Act which granted unions legal immunity from civil action when engaged in a trade dispute - all these developments represent stages in the struggle of the organized working class to protect its interests in the labour market up until the First World War. This was carried forward both through the formation of national unions, parties and campaigns as well as through the passing of legislation favourable to Labour.

### The Evolution of Management

However, the struggle for control has, since the beginning of the Industrial Revolution, proceeded at other levels as well: we shall be concerned here principally with the factory or enterprise level, which focuses on the relationships between work-force and management. It was as producers that workers began to experience at first hand the attempts made by employers to extract from them the greatest amount of labour because, according to Marx:

"The value of the labouring power is determined by the quantity of labour necessary to maintain or reproduce it, but the use of that labouring power is only limited by the active energies and physical strength of the labourer."<sup>8</sup>

As a result, it is in the interests of the employer - assuming that he maximises profits - to impose on the work-force whatever conditions might be necessary to ensure as high a level of production as possible. As Blackburn puts it:

"... the labour contract is not an exchange of equivalents; it is structurally asymmetrical. It is not just that the labourer has to sell his work in order to live whereas the capitalist is not similarly constrained to buy labour. By the terms of the contract, the worker receives a definite - and usually public - rate for the job whereas the employer receives an impalpable potentiality whose ultimate development it is for him to determine."<sup>9</sup>

The result of this "asymmetry" is that the work-force tends to develop its own countermeasures to prevent its total domination by the employer. An area of work activity remains continually in dispute between the two sides:

"This struggle is reflected in the array of sanctions and rewards deployed by employers, and the forms of resistance generated by workers against speed-ups, tight piece rates, unsatisfactory working hours and conditions."<sup>10</sup>

At any given moment, "the frontier of control", as Goodrich has called it in his classic work,<sup>11</sup> may be more or less in the workers' favour depending on a series of factors - the economic climate, the relative strength of organized labour, the political party in power, and so on.

The point here is that the time of the work-force - and hence notions of punctuality, efficiency and a "fair day's pay" - became more and more a concern of the employer.<sup>12</sup> And with time, the problem of industrial control became more and more central. With the emergence during the 19th century of the joint stock company - one in which ownership and control are formally separate - control gradually became a problem for professionals. Braverman is worth quoting at length:

"The capitalist ... working with hired labour, which represents a cost for every non-producing hour, in a setting of rapidly revolutionising technology to which his own efforts perforce contributed, and goaded by the need to show a surplus and accumulate capital, brought into being a wholly new art of management, which even in its early manifestations was far more complete, self-conscious, painstaking and calculating than anything that had gone before."<sup>13</sup>

And:

"Like a rider who uses reins, bridle, spurs, carrot, whip, and training from birth to impose his will, the capitalist strives, through management, to control. And control is indeed the central concept of all management systems, as has been recognised implicitly or explicitly by all theoreticians of management."<sup>14</sup>

The question of how management attempts to maintain control is highly complex and provides a central theme of this thesis. Indeed, this control function is central, no matter from what perspective

management is itself viewed. Child, for example, has identified three possible such perspectives on management: as technical administrators, as executors of policy, or as an elite social grouping maintaining authority.<sup>15</sup> However, although all three may be distinguished, Child is careful to establish that both a legitimacy and a technical function need to be kept apart in management thought:

"The legitimacy function related to the status position (in the broadest sense) of managers, while the technical function related to the improvement of their performance. Both functions can readily be seen to be associated with the question of managerial authority. The legitimacy function was primarily linked to the securing of social recognition and approval for managerial authority and the way in which it was used, while the technical function was primarily linked to the search for practical means of rendering that authority maximally effective."<sup>16</sup>

Managers themselves frequently treat management as purely the acquisition and employment of technical skill. It is possible to find general textbooks which make no reference to a legitimacy function.<sup>17</sup> Yet managers - either consciously or unconsciously - are themselves concerned to justify their technical functions, and it is possible to trace changes in legitimations over time in accordance with prevailing social attitudes. During the Victorian age, ownership was sufficient reason to justify management control of an enterprise; later, with the development of the technical side of management in other spheres - for instance, bureaucracies and the civil service - the manager's professionalism became paramount:

"We further know that management is independent of ownership, rank, or power. It is objective function (sic) and ought to be grounded in the responsibility for performance. It is professional - management is a function, a discipline, a task to be done; and managers are professionals who practise this discipline, carry out the functions and discharge these tasks. It is no longer relevant whether

the manager is also an owner; if he is, it is incidental to his main function, which is to be a manager."<sup>18</sup>

Or, still more recently, a third development has become apparent; "management is beginning to accept the legitimacy of a different basis for authority - that of consent".<sup>19</sup> Managers may now feel the need to win the active consent of their work-force because "in a society in which democratic rights are increasingly recognised, it becomes more and more difficult to maintain that industry should remain exempt".<sup>20</sup>

It is hardly surprising that industrial management thought should reflect prevailing values since its role - administering and legitimising the activities of the enterprise at the place of work - is a central one in advanced capitalist societies (both liberal democratic and state socialist).<sup>21</sup> However, it is just because of this centrality - in particular in relation to the development of industrial democracy - that it is worthwhile to consider management 'frames of reference' and belief systems at greater length. Indeed, it is through an extended analysis of the various perspectives of management towards the enterprise that we can begin to refine our own conceptual framework - a necessary step in accounting for the growth in industrial democracy.

### Management Perspectives

It was Alan Fox who first elaborated the useful and influential distinction between unitary and pluralist 'frames of reference' towards industry, in a research paper submitted to the Donovan Commission in 1966 described on its title page as "an assessment of

the contribution which industrial sociology can make towards understanding and resolving some of the problems now being considered by the Royal Commission".<sup>22</sup> The main contribution of the booklet was its analysis of 'frames of reference' towards the enterprise, which were considered important because they determine our expectations of people's behaviour, our reactions towards their behaviour, and the means we employ to alter their behaviour.

Fox has, since then, changed his views towards pluralism as we shall see in the next chapter. His analysis of the 'unitary' frame of reference, however, is less controversial and has remained the same in all his writings on industrial relations.

### 1. Unitarism

The essence of unitarism is that the notion of a team is considered the most appropriate metaphor to describe the enterprise:

"A unitary system has one source of authority and one focus of loyalty, which is why it suggests the team analogy ... We expect (a team) to strive jointly towards a common objective, each pulling his weight to the best of his ability. Each accepts his place and his function gladly, following the leadership of the one so appointed. There are no oppositionary groups or factions, and, therefore, no rival leaders within the team. Nor are there any outside it; the team stands alone, its members owing allegiance to their own leaders but to no others. If the members have an obligation of loyalty towards the leader, the obligation is certainly reciprocated, for it is the duty of the leader to act in such ways as to inspire the loyalty he demands. Morale and success are closely connected and rest heavily upon personal relationships."<sup>23</sup>

Other analogies found are with ships and families; or else stress is laid on 'working together', 'pulling together' or 'being all on the same side'. Such attitudes may exist both at national



level - in "bringing about economic recovery, we should all be on the same side"<sup>24</sup> - and at company level -

"The only harmonious organization that is worth anything is an organization in which all the members are bent on the one main purpose - to get along towards the objective."<sup>25</sup>

Several consequences follow from this perspective. One of the most important is that trade unions and shop stewards' organizations are viewed as an aberration in the body industrial. If the interests of all within the enterprise are assumed to be the same, then any other organization which claims employees' loyalties and sets itself to represent them in opposition to management must clearly pose a threat. So, the growth of workers' organizations has to be explained in terms of "agitators" or "militants" who stir up trouble amongst men who are otherwise basically decent. Or else, if the existence of trade unions is grudgingly permitted, a nuance is to suggest that they have been subverted; both these points are illustrated in the Conservative Manifesto, 1979:

"Between 1974 and 1976, Labour enacted a 'militants' charter' of trade union legislation. It tilted the balance of power in bargaining throughout industry away from responsible management and towards unions, and sometimes towards unofficial groups of workers acting in defiance of their official union leadership."<sup>26</sup>

In this case, 'responsible' management is faced not only by the unions, but also by "unofficial groups of workers". How such groups obtain a power base within a factory is left unsaid.

A second consequence of unitarism is that blame for economic ills is to be located in the unions and that only effective leadership can sort them out:

"One can with justice blame the unions (for Britain's 'serious industrial relations problem') and claim that trade union reform is necessary. But the unions alone are not to blame; if government had governed and management had managed effectively, industrial relations would never have got into their present state."<sup>27</sup>

With such a notion of union reform, we begin to move into a slightly different brand of unitarism - one which does not flatly deny the legitimacy of the unions and their activities, but is rather concerned to ensure that they play their 'proper' role in the economy:

"This has stemmed from the consciousness that the unions might have something useful to offer provided that they were prepared to accept the essential framework of the social order and did not develop ambitious aspirations to encroach too seriously upon managerial discretion."<sup>28</sup>

To this extent, terms like 'responsible' and 'proper' can be applied to unions which aid management in problems relating to control. 'Reform' is intended to strengthen those procedures which allow moderate leaderships to resist industrial action, 'unsensible' pay claims and restrictive practices, as well as ensuring good communications between management and union:

"The penalty of bad communication is the grape-vine and the rumour, and many of the agitators in British industry will privately admit that their success has been based on exploiting situations which have arisen from bad communications."<sup>29</sup>

We can now begin to distinguish between two forms of unitarism (as an extension to Fox's own theory). First of all, there is unitarism which, embracing both national and enterprise level, denies that unions should exist at all as they are disruptive agencies. Such a view is clearly associated with the 19th century principle that ownership means control; as Fox points out, "not until 1875 did

Master and Servant legislation become the Employers and Workmen Act."<sup>30</sup> Even so, even today, supervisors are still assumed to need skills to motivate and brief "their" work-force.<sup>31</sup>

However, secondly, a development of unitarism accepts the existence of unions provided that they operate as any other consensual institution to protect dominant interests. In this case, unions' interests are assumed to coincide with those of 'society' (at national level) and 'management' (at enterprise level). If they claim to represent their members best through opposition to management, then, as we have seen, this is thought to be the work of agitators. It is presumably only the long established fact of a union role within the economy which has led unitarists to accept them at all. In fact, when unitarists refer to the social consensus, unions are usually not mentioned. Rather, the reference is to 'employees' or to 'men', possibly because, not being organized, such are felt to be more amenable:

"The basic aim which underlay the activities of the One Nation Group was to strive to produce a united, prosperous democracy, with management and men working together for an ever improving standard of living ...."<sup>32</sup>

Such a possibility illuminates the reasons why management stresses the participation of employees in the company, rather than the unions.<sup>33</sup>

Still, this discussion raises a major problem for unitarists. Unions are here to stay and have established structures; the difficulty is how to ensure that all elements within the union behave consensually. One method sometimes advanced is to reform internal

trade union machinery: the assumption is that, given the chance, ordinary members would not want to vote for "extreme Left-wing groups".<sup>34</sup> This question - how to achieve consensual behaviour on the shop-floor - is an important one for management and we return to it in Chapter Five.

The main deficiency of this frame of reference is that it simply does not explain or clarify what actually happens in industrial relations. Conflict is structurally present on the shop-floor because many of the employer's interests are diametrically opposed to those of the employee, especially at the place of production; for example, the employer needs to keep wages down as far as possible since for him they represent a cost, whilst the employee wants to raise them as far as possible, since for him they represent a revenue. Similarly, the employer tries to extend his control over productive processes, whilst the employee resists what he considers intrusions into his territory.<sup>35</sup>

Many managerial writers recognize these points to an extent. Hooper, for example, calling trade unions "anti-bodies", goes on to explain:

"They were formed to combat and curb the power of employers; to meet what amounted to a severe attack on the individual, brought about by the industrialisation of our society, an attack utterly irremediable except by organized, defensive effort; and to redress, in favour of labour, an existing adverse balance of power."

He continues that this process is "entirely understandable"<sup>36</sup> - a comment which would not be made by a unitarist. However, in an interesting section, Hooper develops his theme that management must

attempt to create a good work climate by reducing the suspicion in which the work-force holds them, both in the enterprise itself and more generally as a class. This in turn would lead to trade unions revising their self-images from one of "anti-bodies" to one of organizations actively co-operating with management in its objectives:

"Clearly this will not be easy. The transition of a trade union from being an anti-body to management to being a co-partner of management, sharing a joint common interest, while retaining power of effective leadership over its own rank and file, calls for as delicate a piece of leadership as anything well could. The natural tendency will be for the rank and file to accuse those of its leaders who attempt it as 'ratting' on the labour movement, and to transfer their allegiance to new unofficial leaders who will continue the anti-body role as active grievance-leaders."<sup>37</sup>

To prevent such an occurrence, management must understand the difficulties of the unions:

"It will be a part of that understanding not to embarrass the leaders of organized labour by insisting too soon or too openly on the identify of interest between labour and management."<sup>38</sup>

Labour should be left to itself to discover such an identity since, according to Hooper, time and the "education of events"<sup>39</sup> will ensure that it does so.

Strands of unitarist thought are easily identifiable in Hooper's observations: management "leadership" is to be the key factor in persuading the unions to join a co-partnership; and "a joint common interest" is assumed to unite labour and management - the possibility of there being divergent aims and aspirations is never even considered. It requires only "experience" to show labour that co-operation rather than conflict is its best course of action.

Yet on the other hand, other strands in Hooper's thinking go beyond the unitarist perspective. First of all, there is an understanding of the unions' struggle to organize labour in the face of employers' power. Furthermore, there is an underlying sympathy with the representative function of the unions. It will be "natural" for the rank and file to "transfer their allegiance to new unofficial leaders" if the unions fail to represent the perceived interest of the members as "grievance-leaders". Disillusion with the unrepresentative nature of the union structure was certainly a central reason for the emergence of the shop-steward movement in the engineering industry during the First World War,<sup>40</sup> so Hooper is correct in showing concern not to "embarrass the leaders of organized labour".

The unresolved tension in Hooper's writing lies precisely at this point. On the one hand he stresses the need for co-partnership of employers and unions yet on the other he understands that unions evolved to protect their members from the power of the employers. His solution - management gradually extending trust to the unions to illustrate the existence of joint interests - must rest on shaky premises if the very structure of the enterprise which gives rise to grievances in the first place remains unchanged.

It is consideration of this point that has led to the development of pluralism in management thought.

## 2. Pluralism

The main plank of pluralism is that "the legitimacy and justification of trade unions in our society rests ... on social values which recognise the right of interest-groups to combine and have an

effective voice in their own destiny."<sup>41</sup> This does not mean integration of unions into managerial processes of decision-making so that joint policies can be made more acceptable to the work-force; rather, it means that the aims of the union are considered legitimate even when - or especially when - they conflict with those of management. In other words, the right of unions - and shop stewards' committees - to operate independently within the work-place rests on their function of representing their membership, and takes for granted both that divergent interests exist and that they require expression in the face of 'management prerogative'.

If unions are allowed this role, then there are several important consequences. First of all, union members owe allegiance to organizations outside their own work-place; by paying dues to a union which represents members across the nation, a worker may well be called on to show solidarity with it in the course of its activity - for instance, in settlement of a dispute - and thereby place union before company interests. This immediately destroys any notion of the company as a team striving for a common purpose. Secondly, pluralism admits conflict as a central feature of industrial life. Rather than defining it as a foreign element brought in by "agitators", the pluralist is able to focus on it in a more realistic manner.

For example, it becomes possible to question the common belief that the presence of conflict is a bad sign for the enterprise, or alternatively, that lack of it is good. Argyris, for instance, argues that the commonly used criteria to judge the health of an organization in business circles - low absenteeism, low labour turnover, high

productivity, in short, little conflict - in fact distort the basis on which to judge the health of the individuals within it. Quoting figures to show that most workers are interested only in pay, and not in plant-based friendships, job content or promotion, Argyris claims that the prevalence of monetary or de-humanised values leads to an overall decline in people's ability to express mature behaviour - independence, creativity and responsibility.<sup>42</sup> Whether or not such a view is correct is not at issue; the point is that the question could be raised only by one able to doubt the attitude that conflict is always bad.

But also, pluralism allows a debate to begin on how best to resolve, or at least channel, conflict. The introduction of joint representation committees, improved methods of consultation and the strengthening of collective bargaining are examples of the methods on which pluralists have concentrated to ensure the controlled expression of conflict. This gives rise to an important distinction between substantive agreements - "intended to regulate the employment of labour within their jurisdiction" - and procedure agreements - to "provide means for conciliating or determining disputes (sic) which arise between organized workers and their managers".<sup>43</sup> The origin and status of these procedures - and the norms which they create - have become an important topic of discussion between pluralists and their critics. This is because if it is accepted that "the degree of common purpose which can exist in industry is only of a very limited nature",<sup>44</sup> then the role of management becomes that of balancing the diverse aims of those who have an interest in the enterprise - shareholders, unions, shop stewards' committees, suppliers,



customers, the financial sector, the local community, and possibly the Government as well. Under these conditions, the procedures through which conflicts are resolved become highly important. Only if all participants abide by the rules of conflict settlement can the enterprise hope to achieve necessary compromises.

### The Emergence of Pluralism

Pluralism has developed as both a descriptive and prescriptive theory of democracy, based largely on the existing government structure of the USA.<sup>45</sup> Pluralists see the freedom of diverse social interests to form associations, gather support and influence government in their favour as the guarantor of Western democratic systems. Indeed, democracy itself comes to be defined in terms of the free competition for votes by political elites. Here again, it is easy to see how procedures become a focus of attention - adherence to them alone ensures stability of the system; if people do not accept the authority or legitimacy of the rules through which decisions are made, then they have no reason to abide by the decisions themselves.

It has not proved difficult to extend this analysis of government structure at national level to embrace similar problems of industrial relations at work-place level. Since the Second World War concern has been increasingly expressed at Britain's low level of productivity in relation to its international competitors, and the adverse effect which this has had on its economic performance at home and abroad.<sup>46</sup> Many British institutions have come under attack from one quarter or another for being to blame, but few more so than the industrial relations system. A paper published by the Department of Employment

succinctly summarises the chief points:

"During the 1950s the British system of industrial relations was subjected to increasing criticism. First it was said to have failed to prevent a rise in unauthorised strikes, which were usually in breach of established procedures for avoiding disputes. Second it was argued that industry-wide arrangements for settling pay were becoming less and less relevant as local work groups, led by shop stewards, negotiated shop-floor settlements far in advance of those obtained at industry level. Third it was suggested that existing methods of collective bargaining had failed to provide agreed ways of dealing with so-called 'restrictive labour practices'. Britain was not making the best use of its labour resources and was suffering from overmanning in many industries and firms."<sup>47</sup>

Notice that each of the three criticisms centres on the non-adherence to established procedures by parties involved in industry, or the non-existence of appropriate procedures: strikes - the breaching of "established procedures for avoiding disputes"; wage drift - "industry-wide arrangements" were becoming "less and less relevant" for negotiating pay because of the shift in power to the shop-floor; and 'restrictive labour practices' - "existing methods of collective bargaining" had not created "agreed ways of dealing" with inefficient use of manpower. The authors are keen to re-assert the binding strength of procedure on industrial relations, and not to deprecate the role of the unions themselves by asserting - as unitarists might - that they are disruptive or unrepresentative. Indeed, since the Donovan Report in 1968, the principal industrial relations perspective amongst informed observers has been pluralist.<sup>48</sup> Because of the dominance and influence of pluralism, it is worthwhile to outline the conditions which are necessary in a society before such a perspective can be widely accepted.

First of all, individuals with common interests must come together

in an organized fashion and through regular social interaction establish "a structure, a form of organization, a programme or goal, and a personnel of members"<sup>49</sup> The formation of the earliest labour organizations created interest groups - trade unions - whose members' interests lay in their common class position.

However, the ability of unions (or interest groups in general) to emerge - and not remain secret organizations for example - depends on the second condition for pluralism:

"Where a plurality of conflicting parties is not permitted and their emergence suppressed by the absence of freedom of coalition and by police force, conflict groups cannot organize themselves even if all other conditions of their organization are present."<sup>50</sup>

As outlined above, before the unions in Britain were able to gain any ground for themselves in terms of economic advance, they had first to win recognition through the law.<sup>51</sup> Their ultimate success in organizing bodies of individual workers across many different industries - and creating a climate of toleration for their activities - was owing to several factors. By withdrawing, or threatening to withdraw, labour the unions were gradually able to force employers to concede some of their requests, in particular over wage negotiations, hours and conditions.

However, it is also true that employers began to realise that unions could help them in at least two ways. First, industry-wide agreements would ensure that an employer would be paying the same rates as his competitor - which would mean that labour costs could be stabilised between them.<sup>52</sup> Second, the unions themselves could help to maintain work discipline. If employers and unions reached

agreement on an issue then the unions would be required to enforce the decision on the shop-floor. This point is sometimes made nowadays when it is stressed that shop stewards frequently try "to bring some order into a chaotic situation", most times being "either less militant than or only as militant as their members."<sup>53</sup>

So the unions have established themselves only through a continued struggle and through concessions which have often been to the employers' own longer term advantage in any case. The result of this has been the development of a 'labourist' ideology within the union movement and the incorporation of its structure into the social framework.

The third condition necessary for the emergence of the pluralist perspective involves a general recognition - at all levels of society - of the reality of conflict. Although certain branches of management thought appear superficially very different from one another, many are unitarist and deny that endemic conflict exists. Henry Ford, for instance, espousing the scientific management of F. W. Taylor, claimed: "Really, we have no fixed classes. We have men who will work, and men who will not."<sup>54</sup> He considered that the rationalisation of work processes was beneficial to hard-workers as they could then earn more - more even than a union could demand. High productivity was consequently in both employer's and employees' interests, and as such formed a principle of harmony.

On the other hand, the school of Human Relations appears very different, with its stress on cohesive work groups, quality of humane supervision and informality. While it shares the Taylorian concern

for high productivity (Child's "technical function") the assumptions it makes about the worker - and hence its methods - are very dissimilar (its "legitimatory function").<sup>55</sup> It assumes that the enterprise is an organic unity and that the problem of industrial relations consists purely in the removal of bad communications. Nevertheless, neither Taylor nor the Human Relations school believes in endemic conflict, each school taking the view that the manager is to some degree able to control (and therefore motivate) the behaviour of the worker. High wages and a "sense of belonging" are the key determining elements, respectively.

However, during the 1940s and 1950s social scientists, often funded through government grants, became more interested in industrial behaviour. As the result of this interest, many Human Relations assumptions came to be radically criticised.<sup>56</sup> The factor binding all these criticisms is that the ability of the manager to control workers' behaviour within the factory is severely limited by:

- the economic situation of the firm, which may determine not only the kind of organizational structure relevant to its efficiency,<sup>57</sup> but even the attitudes towards work and productivity prevalent within it;<sup>58</sup>

- the kind of technology characteristic of the factory, which may have a strong influence on the kinds of social relationships possible within it by fostering or hindering certain types of interaction;<sup>59</sup>

- and the structure of the local community which may play a role in shaping workers' attitudes towards technical change.<sup>60</sup>

Finally, conflict itself began to be seen not only as a normal aspect of life in organizations,<sup>61</sup> but even as having positive value in adapting operations to necessary change.<sup>62</sup> The positive contribution as the result of this work has been to place rigorous qualifications on managerial assumptions about consensus both in terms of showing up the kind of influencing factors which they omit and also in terms of their role in justifying the existing industrial structure.

"British management thought developed slowly over the best part of a half-century. It grew confident in the utility of its constantly repeated themes, and their demise within the space of a decade at the hand of social scientists represents a revolution."<sup>63</sup>

With the rapid development of management education during the same period, these debates reached an increasingly wide audience.<sup>64</sup>

Wheatcroft notes that:

"Sociologists, psychologists and political scientists have been contributing research and new theories about the relationships between social and political groups, between individuals within the group and the motivation both of individuals and of people working together in groups, all of which have a considerable bearing on the problems of the manager."<sup>65</sup>

Her book concerns the increasingly close relationship between institutes of higher education and management education.

So V. L. Allen may be right in part when he states that "a list of the academic subscribers to the convention of industrial harmony would be a very long list indeed containing many illustrious names."<sup>66</sup> But only in part: since the 1950s academic researchers have been at the forefront of establishing the recognition that conflict is an

integral part of the enterprise:

" ... the legitimate expectations of labour and of management belong to those which are inevitably in conflict. Management can legitimately expect that labour will be available at a price which permits a reasonable margin for investment, and labour can legitimately expect that the level of real wages will not only be maintained, but steadily increased. Management can claim a legitimate interest in obtaining for each job the most qualified worker available, and labour can claim a legitimate interest in obtaining a job for each worker who is unemployed ...."<sup>67</sup>

And such realisations lead to the fourth condition for pluralism: that effective, formal rules - procedures - are established for the joint regulation of disputes. Such procedures have existed, through collective bargaining, between employers and unions for a century or more. But this point brings us a full circle: pluralism begins to disintegrate if the procedures are not respected. During the 1950s it was felt more and more that existing procedures were in a state of collapse, and needed strengthening. It was largely for this reason that academics began to research the system and put forward solutions;<sup>68</sup> the Donovan Report was the logical culmination of this process. The key question is, however: if the system is based on conflict, why should the parties adhere to rules which allegedly bind them? This question, with its sociological underpinnings, forms the theme of the next chapter.

## CHAPTER TWO

We ended the last chapter by noting that the development of pluralist thought depends on four conditions: the effective organization of interest groups; freedom for them to operate; recognition of the reality and legitimacy of conflict; and the adherence by all parties concerned to clearly defined, formal rules of conflict resolution. These general conditions operate at various levels - not only in national politics, but also within organizations, like industrial enterprises, where different interests compete. During the 1950s and 1960s, many of Britain's economic problems were being blamed on the industrial relations system, which led a particularly influential group of writers to suggest reforms based on a more thorough analysis of industrial relations in Britain than had been attempted by anyone before.

This chapter sets out the development of these writers, especially in relation to the sociology informing their work and to a neo-Durkheimian critique of pluralism which gained ground in the 1970s.<sup>1</sup> The inadequacies of this critique themselves form an introduction to Chapter Three in which an analysis is presented based on endemic conflict.

### The 'Oxford School'

The writers who have been most associated with the propagation and defence of pluralist ideas in industrial relations are sometimes collectively called the 'Oxford School'.<sup>2</sup> They include Clegg, the 'early' Fox, Flanders and McCarthy. It is not always easy to identify



members of a 'school', but there are certain distinguishing aspects of these authors' works which are more or less present within the corpus of their writings like 'family resemblances'.<sup>3</sup>

First of all, the issues or topics which they identify for analysis. They show concern at certain problems which they consider dominant within British industrial relations. Principally, these are the three already mentioned in the previous chapter: the rise in number of unofficial strikes, wage drift and restrictive practices. The Donovan Report, by concentrating on these issues, represents the height of the pluralists' influence. As Goldthorpe points out: "The leading figures in the Oxford School were all in one way or another heavily involved in the affairs of the Commission".<sup>4</sup>

Secondly, their perspective or 'frame of reference'. They are committed to 'pluralism' both as an adequate description of the way in which the industrial relations system operates and also as a prescription of the way in which it should operate. In other words, they view 'pluralism' as a value to be defended in itself as well as portraying the institutional framework of industrial relations in Britain.<sup>5</sup>

Thirdly, their solutions. They are reformist and pragmatic. All have a keen sense of the gradualism implicit in the development of British politics in general and the industrial relations system in particular, and put forward solutions which do not radically challenge the existing order. Their emphasis is on re-establishing a new value consensus and social order, both within the enterprise and between industries. The main thrust of their work is on how to

accomplish this.<sup>6</sup>

It is important to note that these three aspects of the work of the 'Oxford School' combine together to form a coherent pattern. A pluralist is bound to consider certain features of an institution threatening if they appear to damage the smooth functioning of conflict resolution. In this case, an alteration in the balance of power - towards the shop floor - appears to upset the system (that is, adherence to industry-wide agreements negotiated between employers' representatives and unions). An industrial relations problem is defined as a development which tilts such a power balance. Being pragmatic, the pluralist does not - unlike the unitarist - attempt to coerce the unions into a more "reasonable" mould. Instead, reforms are put forward to establish a new consensus, one in which power is once again more equitably shared. So it is, for example, that productivity bargaining and job evaluation are designed to eliminate restrictive practices, whilst Government Commissions are designed to promote voluntary acceptance of new methods of conflict resolution - such as making companies publicly accountable for their industrial relations practices, incomes policies and so on.

There are several articles which succinctly put forward the liberal pluralist position: one is by Allan Flanders,<sup>7</sup> and another is by Flanders and Alan Fox.<sup>8</sup> Hugh Clegg, in his 1974 Introduction to the book in which these and other essays are collected, stated of Flanders that: "for him, it was not trade unions but the processes of collective bargaining that held the key to understanding the industrial relations system ...." He added, of the two essays cited:

"These were the two most important contributions to the theory of collective bargaining that had appeared for many years; and no one has significantly advanced the theory since he wrote. Consequently everyone who sets out to understand the subject today must reckon with these two essays, whether to build on them or to refute them."<sup>9</sup>

In addition to these two, there is a third article by Flanders which was written as a submission to the Donovan Commission.<sup>10</sup>

Bain has written of it:

"... as the Research Director of the Donovan Commission has pointed out, 'it is true to say that this was the only piece of written evidence that made a significant impact on their thinking. Virtually all their worthwhile ideas for reforming industrial relations appear in some form in his submission' ..."<sup>11</sup>

These three articles, taken together, do provide an insight into the prevalent thinking about industrial relations by the 'Oxford School'. The first analyses the notion of collective bargaining, and concludes that it is a rule-making process based on the power relations between unions and employers; the second looks at the fragmentation of these rule-making processes in the 1950s and 1960s and concludes that the present system is characterised by 'anomie' or normlessness; and the third puts forward a series of solutions in an attempt to rectify the perceived problem.

#### Flanders' Theoretical Analysis

Flanders objects to the Webbs' account of collective bargaining. According to him, they believed that collective bargaining arose through the realisation by workmen that combining together allowed them to control competition amongst themselves for a job. Whilst

some individuals were more willing than others to settle for lower wages or poorer conditions, employers were able to 'divide and rule' and thereby exploit labour. However, if workers organized themselves in trades, they could stand against the employer by relying on their collective strength to force better terms of employment. Over time, as unions grew, the geographical areas covered by collective bargaining grew as well - from the shop-floor to the district, from the district to the region, and finally to the entire industry. "In short, for the Webbs, collective bargaining was exactly what the words imply: a collective equivalent and alternative to individual bargaining."<sup>12</sup>

Flanders makes a minor and a major criticism of such a view. The minor one is that it ignores any positive advantages which the employers might have derived from the development of collective bargaining, by assuming that it was forced on them through the threat of sanctions, like strikes.

The major one is that collective bargaining is not, paradoxically, collective bargaining. Defining 'bargaining' as the method by which the opposing interests of buyer and seller are eventually settled culminating in an exchange, Flanders maintains quite correctly that such a definition - in industrial relations - accords only with specific, individual bargains concluded between an employer and an employee in the labour market. The institution usually called 'collective bargaining' on the other hand in fact secures agreements between employers and employees on how to regulate a whole series of questions relating to employment - primarily on wages and conditions.

His first main point, then, is that:

"Thus collective bargaining is itself essentially a rule-making process, and this is a feature which has no proper counterpart in individual bargaining."<sup>13</sup>

Collective bargaining, therefore, regulates, but does not replace individual bargaining, which continues either in a looser or stricter way, depending on circumstances, within the context of the rules established through collective bargaining.

As a result of this, Flanders continues:

"This brings us to the second truly characteristic feature of collective bargaining, apart from its being a rule-making process, namely, that it is 'a power relationship between organizations.'"<sup>14</sup>

He then carefully differentiates economic from political power by countering the argument that the unions' chief function is to organize their economic strength - to work or not to work - to obtain their members' interests. He states that the strike sanction is not the collective equivalent of an individual's refusal to work:

"The assumption behind every strike is not that the workers will seek employment elsewhere if the employer fails to meet their demands. It is the reverse: that sooner or later their present employer will be compelled to reinstate them. In the event of his being able to replace the strikers by an alternative labour supply, the strike ceases to be an effective sanction and turns into a futile gesture. A strike is therefore a temporary refusal to work in accordance with the prevailing employment contracts (or on other conditions that are not specified or implied in the contracts), combined with the firm intention, at least on the part of the great majority of the workers involved, of not terminating their contracts."<sup>15</sup>

Flanders therefore establishes that market behaviour (competition and bargaining) is quite different from industrial relations behaviour

(the negotiation of procedures and the use of industrial sanctions). For instance, full employment (Flanders was writing in 1967) means that enterprises must compete more keenly in the market for labour; as a result, union negotiators are less likely to have to use the strike threat to achieve their aims.

The economic context, in this case full employment, can improve the bargaining position of workers because they become in short supply. However, the political activity, negotiation of wages and conditions, continues within the same procedures and rules as before, having been "jointly determined by representatives of employers and employees who consequently share responsibility for their contents and observance."<sup>16</sup> For this reason, Flanders prefers the term 'joint regulation' to 'collective bargaining' (though he acknowledges, of course, how deeply rooted the latter term is) since the authorship of the rules has been undertaken by both sides of industry in agreement. The administration of these rules is also a matter of joint responsibility in practice, he asserts, whether they are substantive or procedural. This means that all conflict resolution carried out through the normal procedures is also to be included under the rubric 'collective bargaining', since the procedures used have also been jointly agreed.

For Flanders, then, the political nature of collective bargaining is the key feature of industrial relations and he emphasises its non-economic achievements:

"The rules in collective agreements may also regulate such matters as dismissal, discipline, promotion or training which cannot by any stretch of the imagination be included

under price. What is more, because they are rules defining rights (and obligations) they are a means of preventing favouritism, nepotism, victimisation and arbitrary discrimination of any sort. Thus one great accomplishment of collective bargaining has been its promotion of the 'rule of law' in employment relations. Far from being a change in the method of marketing labour, it has to be regarded as an institution freeing labour from being too much at the mercy of the market."<sup>17</sup>

In support of his theory - that collective bargaining is political, rule-making activity - Flanders cites examples of non-economic factors which influence the behaviour of employer and union negotiators; the need to preserve the credibility of the institution of collective bargaining by not making exaggerated demands; the prestige of the negotiating union in the eyes of its membership; social ideas about a 'living wage', and so on. All these factors shape the eventual, negotiated settlement. In addition, Flanders cites examples of types of non-economic conflict which may be resolved through collective bargaining: the closed shop, dismissals policy and security of employment.

Finally, Flanders moves on to consider the scope of collective bargaining. Following Chamberlain,<sup>18</sup> he distinguishes three possible theories about its nature. First, that it is a means of negotiating the conditions of labour (similar to the Webbs' economic or market theory); secondly, that it is a type of industrial government (similar to a sort of constitution for industry); and thirdly, that it is a form of management (and constitutes an encroachment, or penetration, by the unions into unilateral management decision-making). He recognises that the three theories can be seen to mirror different stages in the history of the evolution of collective bargaining, summing them up as follows:

"One might say that, while the first theory draws attention to the trade union acting as a labour cartel in collective bargaining, the second sees it as introducing an autonomous and agreed rule of law into employer-employee relations, and the third stresses its contribution towards making management more democratic or furthering industrial democracy."19

However, he rejects the first view for the reasons that he criticises the Webbs', and the second for being too restrictive in stressing procedural rules at the expense of substantive ones. But the third, the "management theory", he finds the most satisfactory in the quest for a single account of collective bargaining because "a modern view of collective bargaining, then, must recognise that it is an institution for regulating labour management as well as labour markets."20

This simply implies that the substantive issues covered by collective bargaining have expanded with the necessary development of procedures to match. For instance, collective agreements have curtailed management prerogative either by preventing some sorts of activity (e.g. excessive overtime); or by requiring rules to be followed over others (e.g. transfers, promotions); or by insisting that management acts only with the consent of the union (e.g. in areas of joint consultation).

In these cases, he alleges that collective bargaining is the same as joint administration, which comes to the same as joint management. This helps to explain why unions do not only represent the economic interests of their members, as the Webbs suggest. Rather, unions evolve their own institutional interests, in particular in relation to a need to survive, grow and achieve stable links with



management and perhaps government. In addition, members view their union not simply as an instrument of economic rebalance in the face of employers, but also in terms of its ability to defend their status, security and ability to participate in the formulation of rules of collective bargaining.

In summary, Flanders states his case as follows:

"In the economic meaning of the word trade unions do not 'bargain' with employers. They negotiate collective agreements with them to regulate bargaining and competition in labour markets, but also their own procedural arrangements and, now increasingly, managerial relations arising out of the exercise of managerial authority within the firm. Since collective agreements represent a body of jointly agreed rules of varying degrees of precision or generality, and the process of negotiation in arriving at them is best conceived as a diplomatic use of power, trade unions operate primarily as political, not economic, institutions."<sup>21</sup>

With this theory in mind, Flanders suggests elsewhere that there are three principles which characterise the traditional system of collective bargaining in Britain. First, priority is given to collective bargaining over other forms of job regulation such as unilateral imposition of rules, tripartite regulation and state regulation. Secondly, priority is given to voluntary rather than compulsory procedural rules through the law. And thirdly, the parties to collective bargaining have concentrated more on procedural than on substantive rules - that is, they have tended to establish a framework of procedures to cope with problems as they arise rather than negotiate labour codes regulating, for instance, minimum wages, hours worked and so on.<sup>22</sup>

Such a system depends on trust and goodwill to operate smoothly.

Evidence that the system was breaking down in the 1950s and 1960s resulted in the appointment of the Donovan Commission (1965-1968) to investigate employer/employee relations in their various forms.

Flanders and Fox: From Donovan to Durkheim

The main findings of the Donovan Report are very familiar, but they hinge on the distinction between 'the two systems' of industrial relations - the 'formal' and the 'informal'.

"The formal system assumes industry-wide organizations capable of imposing their decisions on their members. The informal system rests on the wide autonomy of managers in individual companies and factories, and the power of industrial work groups."<sup>23</sup>

The former system assumes industry-wide agreements covering a narrow range of issues, based on written codes. The latter system, on the other hand, gives prime importance to negotiations undertaken at factory or plant level, on a wide range of issues, based on custom and practice. The 'two systems' are in conflict - accepting the typology for the moment - since the informal one encourages: unofficial action in the face of established union machinery; an increasing gap between earnings negotiated on site and official rates negotiated for the industry; and fragmented bargaining leading to restrictive practices, which personnel management tolerates for the sake of short-term advantage.

The report observes gloomily:

"Any suggestion that conflict between the two systems can be resolved by forcing the informal system to comply with the assumptions of the formal system should be set aside. Reality cannot be forced to comply with pretences."<sup>24</sup>

The unitary perspective is firmly set aside, and it is at this point that Flanders and Fox 'step in', as it were, to accomplish two ends. One is to analyse the problem in sociological terms and the other is to present solutions on the basis of such an analysis.

Rejecting the popular belief that excessive union power is to blame for the failings of collective bargaining, Flanders and Fox claim that the case for reform is summarised in Durkheim's concept of 'anomie' which describes:

"... a state of normlessness resulting from a breakdown in social regulation. The concept can be elaborated and refined in many different ways. For our present purposes we will argue that the social conditions which he (Durkheim) characterised as a state of normlessness may be produced by an excessive proliferation of different normative systems which are unrelated and divergent."<sup>25</sup>

The authors maintain that industrial relations systems are all normative systems which regulate employment relations. In Britain, the main characteristics of this normative system, as outlined above, are found in the primacy accorded to collective bargaining, the notion of voluntarism and an emphasis on uncoded procedures.

These principles - like any normative system in general - "provide a framework of comparisons and constraints within which otherwise unlimited aspirations can be shaped with some concern for social proportion."<sup>26</sup> Social order, the bedrock of society and its subsystems, depends, it is claimed, on such a framework.

In some circumstances, of course, aspirations may outstrip the chances of their satisfaction. Conflict remains latent if the group with the aspirations in question lacks the power to mobilise, but it

becomes manifest if the group is able to mobilise for whatever reason. In this case, compromise may be reached over what adjustment is necessary in prevailing norms. In an important passage, the authors declare that whilst a complete consensus on values is not implied by this adjustment:

"Clearly the agreement to compromise expresses at the very least a consensus that the game should continue, and be played moreover according to certain rules. But within this procedural consensus, different groups may reach normative compromise on substantive issues while still retaining normative aspirations which markedly diverge."<sup>27</sup>

Collective bargaining, in its political dimension stressed by Flanders, is the medium for such re-negotiation of procedure and consensus.

However, changes in power relations may become so great that the normative system - collective bargaining - is unable to deal with the 'extra conflict'. According to Fox and Flanders, there may be four sources of such conflict: one group may unilaterally try to alter the procedural norms (e.g. when unions first attempted to enforce bilateral negotiation on employers in the 19th century); or one group may unilaterally try to alter the substantive norms (e.g. if an employer cuts wages without notice); or if one group has normative aspirations which lack regulatory procedures for fulfilment (e.g. a union's impatience with an industry negotiated wage-rate in a profitable company which could pay more); or if there is a splintering and breakdown of existing regulative systems. This might take place if larger units of regulation, like industries, are replaced by many smaller units, like plants, which fragment in an uncontrolled fashion. Overall, the maintenance of order becomes a problem since different

groups establish different sets of aspirations, and a multitude of normative systems grow up to deal with them:

"An excessive proliferation of normative systems can therefore produce social consequences that are similar to those resulting from the absence of any norms to regulate conflict. Both situations can be seen in terms of a breakdown of social regulation. Both can be described in terms of Durkheim's characterisation of anomie."<sup>28</sup>

The reasons for this include economic competition by employers over labour resulting in the bidding up of earnings; unions out-bidding one another in competition for membership; and increased demands from the shop-floor as the result of full employment - different groups of wage-earners compete increasingly amongst themselves for comparative advantage in pay settlements.

Full employment and competition along a series of dimensions, the authors maintain, have created just such disconnected normative systems within British industry, each one sometimes covering no more than a plant-wide agreement. They quote Durkheim with approval:

"... the strongest succeed in completely demolishing the weakest, or in subordinating them. But if the conquered, for a time, must suffer subordination under compulsion, they do not consent to it, and consequently this cannot constitute a stable equilibrium. Truces, arrived at after violence, are never anything but provisional, and satisfy no one. Human passions stop only before a moral power they respect. If all authority of this kind is wanting, the law of the strongest prevails, and latent or active, the state of war is necessarily chronic."<sup>29</sup>

The clear implication is that a new moral order is required, given that:

"Fragmentation today is the cause and effect of disorder of a highly visible kind which is regarded as serious by many opinion groups with otherwise little in common. Its economic effects are palpable; much of the disorder emerging as overt conflict, dislocation and inflation."<sup>30</sup>

Indeed, the authors do pay much attention to the reconstruction of a new, normative order to overcome this fragmentation and they clearly recognise the problems: established interests feel threatened by reform; old ideologies still justify outworn forms of behaviour; and most importantly, what forms of 'normative order' can be set up to create social order within the company or plant?

The fullest answers to this question Flanders gave in his evidence to the Donovan Commission. They are pragmatic, in that they "are all concerned in one way or another with the future of collective bargaining."<sup>31</sup> They include productivity agreements and job evaluation to be introduced at shop-floor level; a new labour tribunal to cope with problems concerning union recognition and procedures; a degree of legal enforcement for the substantive parts of collective agreements; state regulation to oversee voluntarism; and incomes policy to set collective bargaining within the context of national planning. We can readily observe many of these features in the development of British industrial relations during the late 1960s and 1970s.

#### A Critique of Flanders

A number of questions now arise about this approach. First of all, what are Durkheim's views on solidarity, and does Flanders represent them accurately? And if, as it turns out, Flanders is accurate as far as he goes, then secondly, how selective is his use of Durkheim's work? Does he choose to ignore any aspects of Durkheim's analysis which could damage the validity of pluralist assumptions? And if, as it again turns out, Flanders has ignored such aspects, then

thirdly, what consequences does this have for pluralism? How possible is it for Durkheimian analysis in its entirety to serve as the basis for pluralism?

The rest of this chapter looks at each of these three questions in turn.

### 1. Durkheim and Flanders on Solidarity

In "The Division of Labour in Society", Durkheim is concerned to analyse the sources of consensus within society; what holds it together. Indeed, Lukes has described him as "haunted by the idea of man and society in disintegration".<sup>32</sup> For this purpose, Durkheim makes the classic distinction between two forms of solidarity, the 'mechanical' and the 'organic'. Broadly speaking, these exist in traditional and advanced societies respectively:

"If there is one rule of conduct which is incontestable, it is that which orders us to realise in ourselves the essential traits of the collective type. Among lower peoples, this reaches its greatest rigour."<sup>33</sup>

In traditional societies, the "essential traits" become established in a tightly knit body of moral and ideological beliefs which Durkheim terms the "collective conscience". He maintains that the main role of punishment - repressive sanctions - is to defend the collective conscience against any actions liable to threaten its binding and authoritative nature. Such is 'mechanical solidarity'.

However, with the advent of industrialisation, the collective conscience tends to lose its force because of the developing division of labour which affects not only economic and market relations but also the whole range of social functions: politics, the law, education,

administration and so on. Under these conditions:

"... The categorical imperative of the moral conscience is assuming the following form: Make yourself usefully fulfill a determinate function."<sup>34</sup>

A different form of solidarity - 'organic solidarity' - should then emerge to prevent the break-up of society. As links with tradition, religion and family splinter:

"Man would no longer be sufficiently obligated; he would no longer feel about and above him this salutary pressure of society which moderates his egoism and makes him a moral being. This is what gives moral value to the division of labour. Through it, the individual becomes cognisant of his dependence upon society; from it come the forces which keep him in check and restrain him. In short, since the division of labour becomes the chief source of social solidarity, it becomes, at the same time, the foundation of the moral order."<sup>35</sup>

So it is that advanced societies are characterised by the growth of civil law and 'restitutive' sanctions designed to regulate social interaction where formality is necessary. A claim of damages, for instance, is intended to restore the relationships between the two parties to the position before the law was transgressed. Contractual relationships are central to 'organic' societies.

The difference between the two types of moral consensus is well summarised by Giddens:

"Where mechanical solidarity is the main basis of societal cohesion, the conscience collective 'completely envelops' the individual consciousness, and therefore presumes identity between individuals. Organic solidarity, by contrast, presupposes not identity but difference between individuals in their beliefs and actions. The growth of organic solidarity and the expansion of the division of labour are hence associated with increasing individualism."<sup>36</sup>

Of course, Durkheim does not suggest that commonly held beliefs



in advanced societies disappear altogether - they simply lose their primary role in creating and maintaining the moral consensus. As societies industrialise and develop, people's functions bring them into certain types of social interaction which gradually evolve regular patterns: these regular patterns over time become rigidified into rules of conduct - or regulative norms - which operate at various levels, for instance, legal, professional and so on. Acceptance of this moral ordering of society allows individuals to locate themselves within a stable normative structure which provides the basis of social consensus.

It is easy, at this stage, to see the relationship between Flanders and Durkheim. Flanders, at subsystem level, stresses the same features of social organization that Durkheim stresses at societal level: regular patterns of interaction establish normative systems; in such a way potentially unlimited aspirations are moulded and given priority through the development of institutions; and so divergent interests are reconciled through the agents' acceptance of the procedures designed to resolve them. Other writers besides Flanders have explicitly pointed out analogies between the industrial relations system and the social system:

"An industrial relations system creates an ideology or commonly shared body of ideas and beliefs regarding the interaction and roles of the actors which helps to bind the systems together ... The ideology of the industrial relations system comes to bear a close relation to the ideology of the particular industrial society of which it is a subsystem."<sup>37</sup>

It must also be pointed out that Durkheim's notion of 'anomie' is well represented in the quotations already cited from Flanders. For Durkheim, the normal state of advanced societies was one of order based

on organic solidarity, which created a taken-for-granted acceptance of certain rules and procedures regulating social interaction. These rules are shared by all members of society who internalise them through the processes of socialisation. Anomic behaviour is associated with a break-down of such rules.

The originality of Flanders lies in having adapted the work of a 19th century French sociologist concerned with social disintegration to throw light on the practical problems of 20th century British industrial relations theorists concerned with "shop-floor" power. At this point, then, no violence seems to have been done to Durkheim in terms of accuracy of concept. However, criticism can be levelled at Flanders for ignoring a major element in Durkheim's thought and thereby de-radicalising his intentions, in particular over the preconditions necessary for establishing social consensus.<sup>38</sup>

## 2. Durkheim and Flanders on Equality of Opportunity

In Section III of his book, Durkheim investigates the "Abnormal Forms" of the division of labour. It is here that he puts forward the notion of anomie not only in descriptive but also in analytical terms:

"Since a body of rules is the definite form which spontaneously established relations between social functions take in the course of time, we can say, a priori, that the state of anomy (sic) is impossible wherever solidary organs are sufficiently in contact or sufficiently prolonged."<sup>39</sup>

The questions which now arise are: what are "spontaneously established relations between social functions"? And under what circumstances does such spontaneity arise or not? These are not the same questions posed by Flanders (pp.35-8) - he considers the circum-

stances under which "healthy" social interaction, once established, breaks down. Durkheim is here asking for the conditions or the assumptions under which organic solidarity arises in the first place. It is this point that Flanders ignores.

In an important passage, Durkheim states:

"... the division of labour produces solidarity only if it is spontaneous and in proportion as it is spontaneous. But by spontaneity we must understand not simply the absence of all express violence, but also of everything that can even indirectly shackle the free unfolding of the social force that each carries in himself. It supposes, not only that individuals are not relegated to determinate functions by force, but also that no obstacle, of whatever nature, prevents them from occupying the place in the social framework which is compatible with their faculties."<sup>40</sup>

The crucial issue is, of course, what Durkheim means by the kind of "obstacle, of whatever nature" which can hinder spontaneity - that is, prevent people's occupation of those social positions which are in line with their capacities - and with it, the evolution of organic solidarity.

He distinguishes, first of all, between "social" inequalities and "natural" ones. Under conditions of perfect spontaneity, social inequalities should correspond exactly with natural ones (which are left undefined). No "external causes" should affect the role which natural inequalities play in leading a person to carry out the social function to which he is best suited.

So, equality of opportunity is Durkheim's central condition for the emergence of organic solidarity. In addition, there is an allusion to the notion of redistributive justice to ensure that "external causes" do not impinge on the operation of spontaneity;

"It consists, not in a state of anarchy which would permit men freely to satisfy all their good or bad tendencies, but in a subtle organization in which each social value, being neither overestimated nor underestimated by anything foreign to it, would be judged at its true worth."<sup>41</sup>

However, Durkheim admits that such a condition exists nowhere as a "realised fact", and proceeds to list those features of society which count as "external" constraints on spontaneity. Examples he gives include a closed career structure and the persistence of customs and prejudices whereby "a certain distinction is attached to some individuals, a certain lack of distinction attached to others, regardless of merit."<sup>42</sup>

Perhaps the most interesting feature he mentions, though, is the question of wealth. Having noted that the suppression of conflict rather than its expression constitutes the real threat to spontaneity, he observes:

"... even where there remains no vestige of the past, hereditary transmission of wealth is enough to make the external conditions under which the conflict takes place very unequal, for it gives advantages to some which are not necessarily in keeping with their personal worth."<sup>43</sup>

This hereditary transmission of wealth must depend on the ownership of private property. It now becomes obvious that, for deductive reasons, the question of private property must become central for Durkheim. We have seen that, according to him, the division of labour produces organic solidarity only when it is spontaneous. In turn, spontaneity refers to the perfect freedom which members of society must enjoy for their occupation of social positions commensurate with their capacities. Such freedom never, in fact, exists, because of certain social constraints - the

"hereditary transmission of wealth" being one such important example. As societies develop, and depend increasingly for their cohesion on organic solidarity, then it must follow for Durkheim that a major reason for their inability to establish a normative consensus lies in the unequal distribution of ownership and wealth within them. For him, as traditional social ties loosen their hold in advanced societies, and society itself loses the transcendent quality it appeared to have in the "lower societies", social organization also loses its integrative nature:

"That is why, in organized societies, it is indispensable that the division of labour be more and more in harmony with this ideal of spontaneity that we have just defined. If they (organized societies) bend all their efforts, and must so bend them, to doing away with external inequalities as far as possible, that is not only because enterprise is good, but because their very existence is involved in the problem. For they can maintain themselves only if all the parts of which they are formed are solidary, and solidarity is possible only under this condition."<sup>44</sup>

However important progress towards justice has been in the past, Durkheim concludes that "it gives, in all likelihood, only a small idea of what will be realised in the future."<sup>45</sup> These passages show the importance that Durkheim attaches to genuine equality of opportunity in advanced societies, a side to his work not apparent in Flander's adaptation.

But there is more. We have already seen that contractual obligations are an integral element in the concept of "organic solidarity". Durkheim himself is well aware that private property, as well as hindering spontaneity, also influences the balance of power in the settlement of contracts. If the parties to negotiation cannot call on equal access to resources, then the stronger may be able to oblige

the weaker to submit to a solution irrespective of its fairness. The weaker may become desperate to settle at all costs as time progresses if, for instance, negotiations disrupt earning power, whilst the stronger may be able to hold out indefinitely if, for instance, the ownership of wealth allows a living irrespective of any disruption caused by negotiations. The inheritance of wealth is simply a device whereby the stronger party is historically able to maintain its superior privileges. Durkheim himself writes:

"(There exists one class) which in order to live has to make its services acceptable to the other at whatever the cost; the other class, which can do without these services, because it can call upon certain resources, which may, however, not be equal to the services rendered by those who have them to offer. Therefore, as long as such sharp class differences exist in society, fairly effective palliatives may lessen the injustice of contracts; but in principle, the system operates in conditions which do not allow of justice. It is not only to cover certain particular points that 'lion's share' contracts can be entered into, but the contract represents the 'lion's share' system as far as any relations of the two classes are concerned."<sup>46</sup>

Flanders does not consider this point in his three classic articles; private property affects both the degree of solidarity that may develop in an advanced society, as well as the justice, or lack of it, inherent in the contracts which regulate behaviour within it. For this reason we can fairly object to his selective reading of Durkheim.

At this point, we can usefully summarise the main arguments in Flander's work in relation to their derivation from Durkheim. For Flanders, industrial relations are based on a normative system which regulates the relationships between employer and employee. For Durkheim, organic solidarity evolves in advanced societies owing to the increased interdependence of function resulting from the division

of labour. It is for this reason that both writers see forms of deviant behaviour as a problem. Neither is at all self-conscious over imposing his own definitions on behaviour; Flanders, for instance, does not consider the possibility that the "informal" industrial relations system may well work strongly to the advantage of shop-floor workers who would resent attempts to control it from above. Durkheim, in a similar way, states that "... like all social facts, and more generally, all biological facts, (the division of labour) presents pathological forms which must be analysed."<sup>47</sup> The analogy of a social system with a biological one leads to little or no attention being paid to the actors' own self-perceptions. This is a criticism we return to later.

However, a divergence occurs at this stage between the writers. Flanders maintains that there had been consensual agreement on procedures within the industrial relations system but that it had since disintegrated owing to the emergence of what the Donovan Report calls the "informal" system. Durkheim, on the other hand, maintains that consensual agreements based on contractual solidarity cannot emerge without perfect equality of opportunity. To the extent to which this does not exist - owing in particular to inequality of wealth - then neither does solidarity. Durkheim, then, views property ownership and class relations as a problem. His analysis is more plausible than Flanders'; nowhere does Flanders consider the possibility that unequal, structural power relationships in society might influence the kind of procedural or substantive agreements over which unions, for instance, are able to bargain collectively. He never poses the question: what is the balance of power between the parties negotiating?

Still less does he analyse 'power' in any depth or ask what kind of management/labour relations are possible within the existing structure of industry.

Durkheim is at least bothered by this sort of issue, and in the remaining part of this chapter we look at the development of a neo-Durkheimian critique of Flanders and the Donovan approach put forward in the later work of Alan Fox. Fox explicitly takes into account class relationships and power imbalances - though outside a Marxist framework. The question which remains, then, is how successful can an attempt be to admit the ownership of property and class analysis into the pluralist framework.

### 3. Fox's Neo-Durkheimian Critique of the 'Oxford School'

Before continuing, it is necessary to recap the identifying features of the 'Oxford School' which we listed at the beginning of this chapter. We noted then that the 'Oxford School' defined certain issues or topics as problems and as a result tended to ignore the agents' own perceptions of the phenomena - for example, the fact that workers do not necessarily agree that 'restrictive practices' are harmful. The 'Oxford School' is also fully committed to the pluralist perspective or frame of reference when analysing industrial relations, and puts forward solutions to industrial relations problems in a reformist, pragmatic mould. We also noted that these three aspects of the 'Oxford School's' work are mutually reinforcing: a problem is whatever upsets the balance between the pluralist partners and must be dealt with within the context of the existing system.

The effect of Fox's later work is to broaden the range of issues



considered as problems; in particular, he is interested in the nature of work organization itself and how it can be made more fulfilling. In addition, his critique of pluralism - made in quasi-Marxist terms - shows an acute awareness of the limitations of its perspectives. However, his solutions appear incongruous in that they remain firmly reformist. They do not seem to follow very easily from his analysis of industrial relations under advanced capitalism; for instance, his appeal to management for reform seems to ignore their ideological role within the economic structure which he otherwise so clearly illustrates. Below, we examine the development of Fox's thought under the three headings: issues, perspectives and solutions.

#### (i) Issues

It is worth pointing out that Fox's contribution to Donovan was not a technical one; his paper<sup>48</sup> was concerned with theory - "frames of reference" and the "structural determinants of behaviour at work" - and their relationship to problems in industrial relations. He was, then, never directly concerned - as were, for instance, McCarthy,<sup>49</sup> Marsh<sup>50</sup> and Bain<sup>51</sup> - with the more narrowly defined issues defined by Donovan as problems. Perhaps for this reason it was easier for his theoretical scope to widen. His later work is concerned, broadly and historically, with "the gathering speed of an ever-widening human impulse towards an enhancement of individual life and experience."<sup>52</sup> In particular, what interests him is the way in which authority is increasingly questioned and collective strength mobilised "not through convulsive and spontaneous gestures of revolt but through organized and calculated pressure on the policy-makers."<sup>53</sup>

Fox is concerned to widen the issues of investigation:

"Those who try to deepen their understanding (of human motivation and response) may be tempted to reduce the problem by confining their attention to what goes on within the organization itself ... Attention becomes focused on the organization alone, to the exclusion of the wider society in which it is embedded. This exclusion is fatal for a full understanding of the issues involved ... Organizational issues, conflicts and values are inextricably bound up with those of society at large."<sup>54</sup>

Social factors like the family, class, peer groups, local environment and the media exert an influence on aspirations which transcend the influence of the organization alone. This helps to explain, of course, the origin of the diverse perspectives towards the enterprise which co-exist within it amongst its participants: as a team, career structure, means of earning a living, and so on.

It is within this context that Fox elaborates his views on work organization. Unlike the Donovan Commission - which considered the "informal" industrial relations system as something to be controlled - Fox is interested in why the problem arises in the first place, that is, why some groups within an enterprise identify themselves with its goals (and so see themselves as trusted), and why others do not (the "informal" system). Fox points out that in the running of an enterprise, many decisions must be taken - about the enterprise's objectives, the means of achieving them, marginal distribution of rewards and so on. The company trusts those groups involved in making such decisions, and tends to distrust those groups not so involved.

"In the creation of these categories (i.e. the trusted and the non-trusted), and in the changes which they generate, power is the essential agency. Power enables the few to minimize their dependence on the many. It enables the few to minimize the discretion of the many in

the making of decisions deemed by the few to be important for their purposes."<sup>55</sup>

The "few" refers to management, and the "many" refers to the work-force:

"The absence of commitment or moral involvement which the manager so often deplors in the lower ranks of the organization is, in considerable measure, a consequence of the low-discretion roles that he and his forerunners have designed for them and for earlier generations of employees who have bequeathed their low expectations and responses to their children."<sup>56</sup>

For Fox, "low-discretion roles" comprise five elements: the role occupant sees himself as distrusted by his superiors to carry out tasks properly; he is therefore subjected to close supervision; his activities are highly co-ordinated with others through rules and routines; failures are assumed to result from disobedience and therefore elicit closer supervision or punishment, or both; and conflict is dealt with on a group basis through bargaining. On the other hand, "high-discretion roles" involve the opposite of these elements, following from the occupant's self-perceived trust relationship with his superiors. As a result, there ensues a reliance on self-discipline and responsibility in the performance of duties.

The central concept in this, then, is "trust". So:

"... we are referring to the perceptions men have of the trust reposed in their behaviour, as it is expressed and embodied in the rules and relations which others seek to impose on them .... We follow Zand in using trust to mean 'not a global feeling of warmth or affection, but the conscious regulation of one's dependence on another' .... Trust used in this sense is compatible with personal dislike of the person trusted; distrust with personal liking and respect for him."<sup>57</sup>

Using this as a frame of reference, Fox analyses - using a wealth



of secondary sources - the dynamics which have led increasingly to low-trust relationships, with the focus on work organization as the key. The trend observable in advanced capitalist societies "towards extreme differentiation and specialisation of function ... squeezes out the reciprocal diffuseness of obligations which is the necessary condition of high-trust relations. It is the movement from social to economic exchange."<sup>58</sup>

The sociological underpinnings of Fox's work - its own frame of reference (broadly, social action theory), and its scope as an analysis of work organization - prevent a narrow identification of problems. It represents in this respect a break from the 'Oxford School' because it looks behind the notion of a problem. Fox investigates both how problems come to be defined as such and the self-perceptions of the agents involved.

## (ii) Perspectives

However, Fox's split from the 'Oxford School' is most pronounced in his critique of its perspectives. This critique he presents in a variety of forms.

First of all, the 'harmony' which pluralism claims to generate - in reference to management/union relations - according to Fox takes place between unequal partners. Work group or union representatives:

" ... have already been socialized, indoctrinated, and trained by a multiplicity of influences to accept and legitimize most aspects of their work situation; a situation designed in the light of the values and purposes of the major power holders."<sup>59</sup>

Fox's point is similar to the one already attributed to Durkheim -

that contractual arrangements between unequal partners are not valid:

"Given a consciousness of bargaining under duress, what happens to the moral obligation to observe agreements 'freely and honourably negotiated'? Those who feel coerced feel no obligation."<sup>60</sup>

This Fox concludes after a description of the nature of the power relations between the two sides of industry, raising a question which is discussed at length in the next chapter - the way in which power often operates in a 'non-observable' manner. Social conditioning leads workers' representatives to accept the main organizational structure of negotiations before they even begin. Therefore, marginal adjustments can be made through collective bargaining or productivity bargaining, for instance, which leave totally untouched the principle of hierarchical rewards or the concept of efficiency.

"By accepting this definition of 'problems', those working with a pluralist framework implicitly accept the master institutions, principles, and assumptions of the status quo as non-problematical. In doing so, they add their professional status, personal prestige, and influential involvement in public policy making to the forces and influences which lead subordinate groups to continue seeing the status quo as legitimate, inevitable, unchangeable, 'only to be expected', subject only to changes at the margin."<sup>61</sup>

This last criticism appears to be a very direct criticism of the 'Oxford School'. The point is that those employees who do see through the operation of power relations will not feel morally bound by decisions made within their ambit, but will simply accept them on pragmatic grounds because of the sense of "overwhelming odds" against them. This is clearly not the basis for the consensus that pluralists must assume for their system to function.

So, the fact of unequal power relations - albeit at times 'invisibly' - and their consequent effect on the binding quality of contracts suggests that pluralism and its apparent stress on equality is a managerial ideology aimed primarily at gaining the work-force's consent. Fox bolsters this argument by pointing out that pluralists treat non-conformers - those who do not accept the procedures designed to resolve conflict - as eccentrics or subversives; this view, he maintains, betrays the pluralists' underlying interest in upholding social consensus - and with it power inequalities - at the expense of giving adequate representation to the views and demands of the non-conformers.

These criticisms of the ideological leanings of pluralism are not, of course, Fox's alone. Playford, for example, in a useful synthesizing article sums up three such arguments from the literature on pluralism as a political creed.

The first criticism attacks the "balance of power" theory:

"An approximate equality is said to be maintained between business and labour, but the fact that labour constitutes the overwhelming majority of the population is not seen as a reason for allocating influence in proportion to relative numbers."<sup>62</sup>

Furthermore, many groups in society - like consumers, non-unionised labour and immigrants - are either not organized at all, or only poorly so and hence are unable to have their interests represented very effectively in the political process in any case.

The second argument - "the limits of pluralism" - is an elaboration of Fox's point on the invisibility of power:

"The theory of pluralism in all its forms has the effect of discriminating not only against certain groups or interests, but against certain sorts of proposals for the solution of social problems .... Pluralism does not acknowledge the possibility of wholesale reorganization of ... society."<sup>63</sup>

It is able to banish certain sorts of solutions to problems from discussion because stability of the system is considered all important. This stance led, as Playford notes, to the 'end of ideology' idea of the 1950s and 1960s. The notion of politics is reduced to peaceful competition between pressure groups to determine allocation of resources and privilege within the value consensus.

The third argument - "the referee theory" - follows from the assumption that interest groups are equally represented in society, and sees the role of government as that of supervising and regulating the competition between those groups. Hence, governments pass pure food and drug acts and anti-monopoly legislation on the one hand, and even become involved in the internal operation of interest groups on the other - for example in providing funds for union elections.

The criticism, of course, is that government's role is not neutral:

"... this 'referee' function of government systematically favours the interests of the stronger against the weaker party in interest-group conflicts. By tending to solidify the power of those who already hold it, the government plays a conservative, rather than a neutral role in ... society."<sup>64</sup>

This is particularly the case with labour relations, and forms a basic part of Marxist analysis of government. In one classic statement:

"Whenever governments have felt it incumbent, as they have done more and more, to intervene directly in disputes between employers and wage-earners, the result of their intervention

has tended to be disadvantageous to the latter, not the former. On innumerable occasions, and in all capitalist countries, governments have played a decisive role in defeating strikes, often by the invocation of the coercive power of the state and the use of naked violence; and the fact that they have done so in the name of the national interest, law and order, constitutional government, the protection of 'the public', etc., rather than simply to support employers, has not made that intervention any the less useful to these employers."<sup>65</sup>

The government, as employer in nationalised industries and as conciliator and arbitrator in industrial disputes, can exert its influence in industrial relations both directly and indirectly.

### (iii) Solutions

It is this criticism of the pluralist ideology which leads us on to the third and final aspect of Fox's relationship with the 'Oxford School' - the kind of solutions he is able to suggest to overcome the crisis in industrial relations.

Central to Flanders' work is the establishment of a new value consensus, in particular through state intervention (Flanders himself became a member of the Commission on Industrial Relations in 1969). Fox's views on government intervention have changed, however. In 1971 he wrote:

"If unions are to stand any chance of forcing management to yield a share in decision-making, however, their struggle and the methods used must be tolerated by society and the state. In the last resort, it is the values and norms, legal and otherwise, of the wider society which determine whether or not the collectivity is able to impose itself upon the organization's procedural system."<sup>66</sup>

No reference is made here to the institutional setting of such "values and norms". But by 1974:



"The two major interest groups of capital and labour appear to have equal access to governments for supportive legislation and, given the political pendulum which seems to award its favours alternately between the major parties, an approximation to rough justice is assured over the long term .... (However) the legislative struggle takes place over measures designed to strengthen or weaken the ability of organized labour to challenge management only at the margins of the institutional structure of industry."<sup>67</sup>

The fundamentals of the structure - "hierarchy, subordination, extreme division of labour, labour as commodity and massive inequalities of treatment".<sup>68</sup> - are left intact.

It is clear, then, that Fox, unlike Flanders, is not likely to set much store by government intervention. Yet Fox's own solutions do remain very much in the pluralist mould, as if, though bankrupt intellectually, pluralism still remains the 'best guide to action' in policy terms.<sup>69</sup> Fox claims that movement towards high-trust relations in industry would be worthwhile not only because it would develop greater satisfaction at work but also because it would allow more efficient adaptation to accelerating change. However, he is able to offer only exhortation as a means to illustrate to workers the benefits of high-trust relations (even though workers at present show no sign of interest in sacrificing extrinsic for intrinsic rewards from work if need be<sup>70</sup>), and education as a means to illustrate to management the choices facing it. Such education would consist in asking whether management finds social inequality morally offensive or not and discovering whether for the purposes of simple expediency "a growing need for a readier rank-and-file response to management leadership" is likely to be forthcoming given social inequality "along all the important lines of life and experience."<sup>71</sup>

There are several curious or incongruous aspects of such solutions.

In the first place, Fox assumes that workers could be led to see the importance of work organization in their lives even at the expense of material well-being, though he offers no ideas on how such a change in attitude could be brought about. In other words, the development of high-trust relations is seen in a vacuum. Wood and Elliott point out with some plausibility that attempts to eradicate low-trust relations, if initiated by workers, will be seen as an attack by management, and if initiated by management would simply lead to further incorporation.<sup>72</sup> There is now evidence for this view - which we examine in Chapter 11 - in the light of shop stewards' committees' experience with the development of alternative corporate plans.

Fox himself gives only cursory treatment to the role that underlying economic control would play in the development of high-trust relations:

"Public ownership is the necessary but certainly not the sufficient condition for any change in the primary objectives and methods of work organizations."<sup>73</sup>

Unfortunately, he does not elaborate on how high-trust relations could be developed in public industry as a policy initiative. Instead, he still apparently holds on to the possibility of their growth in private industry, thereby pre-supposing a value consensus - or "community" - which according to his own analysis does not exist.

Finally, there is no reason to suggest that management would ever become convinced by the moral arguments for social equality. And if it did become convinced through expediency, then the power contexts in

which it continued to operate would, of course, remain the same; and it is these very power contexts which Fox himself criticises so trenchantly as the source of trouble.

We must, then, conclude that Fox, despite a radicalisation of his views on issues and perspectives, retains a pluralist notion of a 'solution'. There is no suggestion on where the agency for change might be found; there is the lingering assumption of a value consensus in industry; and only fleeting reference is made on the role of public ownership in establishing high-trust relations.

## P A R T   T W O

"Circus dogs jump when the trainer cracks his whip, but the really well-trained dog is the one that turns his somersault when there is no whip."

George Orwell, "As I Please", Tribune, 7 July 1944, quoted by Bernard Crick, George Orwell: a Life (London: Secker and Warburg, 1980), p.314.

"People frequently do act on a mistaken diagnosis - usually, perhaps, one too simple for the situation. Nothing is more likely to lead to bad political strategies than to misunderstand 'power', to misperceive 'the power structure', for to be misled about 'power' is to be misled about the prospects and means of stability, change and revolution."

R. A. Dahl, Modern Political Analysis (New Jersey: Prentice-Hall, 1970), p.15.

### CHAPTER THREE

Having now analysed the deficiencies of liberal pluralist theory and illustrated as well the weak points of Fox's neo-Durkheimian critique, we present in Part II the theoretical outline used to explain the development and significance of industrial democracy in the rest of the thesis.

The major flaw of the 'Oxford School' is its failure to come to grips with power relations in industry. Even Fox, for example, seems to betray through his faith in exhortation and education a basic, continued belief in an industrial value consensus. The emergence of high-trust relations seems to assume that both sides - in the wake of some ill-defined 'change of heart' - will come to believe in their necessity either for reasons of morality or expediency. The circumstances which might lead to such a change of heart (and Fox himself stresses the long-term historical trend against it) are not considered; he states that "men are faced with a choice, and that rational choice implies some knowledge of the costs and benefits of the alternatives."<sup>1</sup> Rational choice, though, implies a common set of assumptions which everyone adopts. As Bertrand Russell put it:

"Reliance upon reason ... assumes a certain community of interest and outlook between oneself and one's audience. It is true that Mrs. Bond tried it on her ducks, when she cried, 'come and be killed, for you must be stuffed and my customers filled'; but in general, the appeal to reason is thought ineffective with those whom we mean to devour."<sup>2</sup>

The principal task of this chapter is to show that many workers feel that they are about to be 'devoured' - which prevents there being a stable "community of interests" with management. Order in industrial

relations is maintained less through the establishment of a value consensus than through the suppression of an alternative set of beliefs which would allow workers to understand the structural origins of conflict on the shop-floor.

### Fox, Giddens and Lukes on Power

In recent years, there has developed an important view of 'power' which has broken radically from pluralist assumptions. The following extract from Alan Fox is worth quoting at length as it shows awareness of this body of theory:

"... this negotiation of order within the enterprise takes place only at the margins. Management and the interests do not jointly build their collaborative structure from the ground floor up. Power and social conditioning cause the employee interests to accept management's shaping of the main structure long before they reach the negotiating table. Thus the discussion may be about marginal adjustments in hierarchical rewards, but not the principle of hierarchical rewards; about certain practical issues connected with the prevailing extreme subdivision of labour, but not the principle of extreme subdivision of labour; about financial (extrinsic) rewards for greater efficiency, but not about the possibility of other types of (intrinsic) reward with some sacrifice of efficiency; about measures which may achieve company expansion and growth but not about the principle of company expansion and growth; about how the participant interests can protect and advance themselves within the structure operated by management to pursue its basic objectives, but not about the nature of those basic objectives."3

Here, we have two aspects of 'power' which are contrasted. First of all, workers' representatives may well be able to influence "marginal adjustments" in pay, conditions, productivity and so on. This influence can be observed every time that negotiations take place between management and workers; the outcome reflects a certain 'balance of power' between the two sides. However, Fox also emphasises the importance of

the second aspect of power that operates: "power and social conditioning cause the employee interests to accept management's shaping of the main structure long before they reach the negotiating table". Though his terminology is a little confused - he seems to call only the operation of social conditioning 'power', leaving out of the definition the processes of marginal adjustments - he gives examples of "the main structure" including "the principle of hierarchical rewards", and "the principle of extreme subdivision of labour".

Fox is discussing here industrial relations, but it is interesting to compare with that discussion Anthony Giddens' analysis of power at societal level. This analysis also contrasts 'observable' and 'non-observable' aspects of power: "we may distinguish two forms of the mediation of power relationships in society" - "the mediation of power in terms of control" and "the institutional mediation of power".<sup>4</sup>

Each of these two forms closely corresponds to Fox's two categories.

"The mediation of control refers to the actual (effective) power of policy-formation and decision-making held by the members of particular elite groups: how far, for example, economic leaders are able to influence decisions taken by politicians, etc."<sup>5</sup>

He elaborates by relating such control to:

"... a 'distributive' aspect, in the sense that certain groups are able to exert their will at the expense of others. The mediation of control is thus expressed in terms of 'effective' power, manifest in terms of the capacity either to take or to influence the taking of decisions which affect the interests of two or more parties differentially."<sup>6</sup>

Secondly, however, he points out the underlying institutional

arrangements in society which structure and shape control issues:

"By the institutional mediation of power, I mean the general form of state and economy within which elite groups are recruited and structured. This concerns, among other things, the role of property in the overall organization of economic life, the nature of the legal framework defining economic and political rights and obligations, and the institutional structure of the state itself."<sup>7</sup>

Again, he elaborates on this concept by relating it to:

"... a 'collective' aspect, in the sense that the 'parameters' of any concrete set of power relationships are contingent upon the overall system of organization of a society."<sup>8</sup>

Broadly, then, for Giddens, groups in society are able to forward their interests in a way which implies a distributive element in the balance of outcomes; such are 'control' issues. On the other hand, these interests are themselves structured through the 'parameters' of the social system - private property, legal relationships and so on. This is the collective element in power relations which rarely operates in a very visible or observable manner. These parameters normally form the context in which control issues are raised; they themselves are not the topic of negotiation.

The third writer who draws these distinctions by far in the most explicit way is Steven Lukes, whose analysis points up the theoretical existence of three 'faces' of power.<sup>9</sup> In setting out his views here, we shall contend that Lukes' first two 'faces' correspond largely to Fox's 'marginal adjustments' and Giddens' 'mediation of control'; and that the third 'face' corresponds largely to Fox's 'main structure' and Giddens' 'institutional mediation of power'.

The first face of power Lukes - with reservations - characterises as pluralist, identifying it in particular with Dahl<sup>10</sup> and Polsby.<sup>11</sup>



Pluralist authors stress behaviour. In other words, when analysing power, their emphasis is on studying what people do and on basing conclusions on concrete evidence. As a result, power is seen to manifest itself principally in decision-making. For example, the group whose interests prevail after a political tussle over a decision (for instance, on a city council) have more power than the group whose interests are overridden. This in turn means that observable conflict becomes the focus for political analysts who, in turn, must select issues for study which provoke conflict; disagreements over controversial matters are a necessary condition for conflict to arise and for power to become observable. Finally, then, interests come to be defined in terms of policy preferences, openly adopted and defended.

"Thus I conclude that this first, one-dimensional view of power involves a focus on behaviour in the making of decisions on issues over which there is an observable conflict of (subjective) interests, seen as express policy preferences, revealed by political participation."<sup>12</sup>

The second face of power Lukes expounds through a critique of pluralism made by Bachrach and Baratz (who coined the phrase 'second face of power').<sup>13</sup> The principal point made by these two authors is that groups can erect or reinforce barriers so that policy conflicts are never given open, public exposure. To this extent, such groups possess power: predominant beliefs and institutional processes do themselves contain biases towards vested interests which can manipulate them to ensure that certain issues are never presented for debate. Schattschneider's well-known expression is quoted with approval: "organization is the mobilisation of bias."<sup>14</sup>

Lukes maintains that this theory is anti-behavioural to a degree, as it alleges that the analysis of both decisions and non-decisions is necessary in the study of power. Non-decision-making refers to those instances in which demands for change are suffocated before even being expressed (for example, by prohibiting access to the media). Attention is, therefore, focused on potential issues which such non-decisions suppress, and on - as a symptom - covert as well as overt conflict. It is the researcher's task to investigate covert conflict which will evidence the existence of interests being ignored by the system.

"So I conclude that the two-dimensional view of power involves a qualified critique of the behavioural focus of the first view (I say qualified because it is still assumed that non-decision-making is a form of decision-making) and it allows for consideration of the ways in which decisions are prevented from being taken on potential issues over which there is an observable conflict of (subjective) interests, seen as embodied in express policy preferences and sub-political grievances."<sup>15</sup>

At this point, we might draw some parallels. The areas which Fox identifies as 'marginal' to the structure of industrial relations over which management and unions bargain - practical issues, financial rewards, measures to achieve company growth and so on - are all observable phenomena, and involve decisions taken over well-known issues of conflict relating to the self-perceived interests of each side of industry. Conflict may sometimes take a covert form - for example, absenteeism and labour turnover - but this does not make it in principle unidentifiable. Similarly, Giddens' concept of the 'mediation of control' refers to "the actual (effective) power of policy formation and decision-making held by the members of particular elite groups". The capacity here to influence decisions affecting the

interests of various social groups again identifies the locus of power. A trade union official or a shop steward may be seen, of course, as members of an elite.

There is, then, a convergence in the analyses of these writers, though it may be obscured through dissimilar terminology. This convergence continues when we turn to what Lukes calls the 'third face of power'.

Lukes objects to the assumption that a 'decision' is the key to the possession and deployment of power. Even 'non-decisions' rely on the power holders' consciousness of the existence of at least covert conflict. This makes the exercise of power into a matter of chosen actions carried out by individuals aware of the consequences. Lukes points out that the social structure and culturally patterned behaviour can make the position of power holders so snug that they are genuinely unaware of any alternatives to the status quo, indeed, unaware as well of any biases in their actions. Consequently, the possession of power should not be linked simply with observable conflict. Power can be exerted by so moulding another person's or group's desires and perceived needs that compliance is obtained by defining potential conflict out of existence. Lukes maintains that "the crucial point (is) that the most effective and insidious use of power is to prevent such conflict from arising in the first place".<sup>16</sup>

The pluralists' assumption is that if no grievances can be uncovered, then a consensus on values operates and all interests are served equally. Two problems arise, however. The pluralists do not define 'grievance' or 'conflict' - it could range from a politically

conscious demand through to an underlying sensation of ill-will; and they ignore the possibility that shaping people's self-perceptions and thoughts might be the best way to hinder the emergence of conflict in the first place.

As before, Lukes summarises his position:

"... the three-dimensional view of power involves a thorough-going critique of the behavioural focus of the first two views as too individualistic and allows for consideration of the many ways in which potential issues are kept out of politics, whether through the operation of social forces and institutional practices or through individuals' decisions. This, moreover, can occur in the absence of actual, observable conflict, which may have been successfully averted - though there remains here an implicit reference to potential conflict. This potential, however, may never in fact be actualised. What one may have here is a latent conflict, which consists in a contradiction between the interests of those exercising power and the real interests of those they exclude. These latter may not express or even be conscious of their interests ...."17

Again, then, there is a convergence between Fox, Giddens and Lukes. Lukes' 'third face of power' corresponds to views already quoted from Fox, in which he refers to the role of power and social conditioning in causing employees to accept management's structure for negotiating (p.61); and to extracts already quoted from Giddens, in which he discusses the parameters set on power relations by social structure (pp.62-3).

We can usefully summarise the three writers' positions in tabular form:

TABLE ONE

	Observable Aspect of Power	Non-observable Aspect of Power
Fox	Marginal negotiation	Bias in the 'main structure' or social structure
Giddens	Mediation of Control	Institutional Mediation of Power
Lukes	First/Second Faces or Dimensions of Power	Third Face or Dimension of Power

The chief contrast to be drawn here is between, on the one hand, observable conflict and its resolution, and on the other, the structural suppression of potential conflict. This contrast can be made either at societal or institutional level. Giddens, for example, focuses on the first; Fox on the second (industrial relations).

The Observable Aspect of Power

Liberal pluralists have, as Lukes shows, tended to concentrate on the observable aspects of power (and authority). For instance, Emmet, in criticising Russell's definition of 'power' as "the production of intended effects", herself calls 'power' an 'omnibus term'.<sup>18</sup> However, in doing so, all the passengers in her omnibus are in principle observable and identifiable: according to her, the exercise of power may involve causal efficacy (e.g. bringing about change in the world); creative energy (e.g. in artistic pursuits); personal influence (e.g. through strength of character); ritual (e.g. in the effects of magic); or the law (e.g. in the capacity of the Authorities to achieve some purpose).

It is then not difficult to extend this approach to the problem of 'authority' which rests on the ability, as Friedrich puts it, to issue communications possessing "the potentiality of reasoned elaboration - they are 'worthy of acceptance'".<sup>19</sup> The idea is that 'good reasons' for doing something add an extra quality to the use of power. Indeed, some writers contend that there is a conceptual connection (not simply a contingent one) between social, rule governed activity and de iure authority. To follow social rules:

"... is to accept that there is a right way and a wrong way of doing things, and the decision as to what is right and wrong in a given case can never depend entirely on one's caprice ... (For) one is a social being engaged in rule governed activities and on that account able to deliberate and to choose, (this) is in itself sufficient to commit one to the acceptance of legitimate political authority. For the exercise of such authority is a precondition of rule governed activities. There would be therefore a sort of inconsistency in 'choosing to reject' all such authority."<sup>20</sup>

This is a view which runs implicitly, but strongly, through Flanders' observations on the nature of collective bargaining (pp.27-34); collective bargaining is a rule-making, political activity which assumes the legitimacy of prevailing employment contracts. Strikers, he points out, do not wish to terminate their contracts, but rather to improve them.

However, more generally, this view makes a series of questionable assumptions. First of all, it assumes a 'seamless web' of rule-governed activity. In other words, the possibility that there are multiple systems of authority within a society or an institution, each one legitimate in the eyes of its adherents, is not considered as a special problem. However, the relationships between such authority systems, for instance at different levels of society, might themselves

constitute a major focus for inquiry (as we shall find later on in this chapter). Secondly, the origins of the rules which govern social activity are not considered either. But this is a major factor in their acceptance as legitimate: we have already seen that rules established by two sides - one of which holds greater power resources than the other - can lead to poor internalisation of the rules by the weaker side and the emergence of anomie in consequence. The circumstances surrounding the development of rule-making are central when their legitimacy is under review. Thirdly, these rules and the exercise of authority through them are, once again, a matter for observation. Analysis of authority relations is held to rely on the study of behaviour, whereas to the extent that authority depends on power, it can also have a non-behavioural dimension.

At this stage, it becomes easier to understand why - using these liberal pluralist notions of power - many writers in the 20th century have asserted that capitalism has changed so radically since the 19th century at all levels, both societal and industrial, that it should be termed something else (such as 'post-industrial' or 'post-capitalist').<sup>21</sup> Clear, visible alterations in the power structure of these societies have taken place: the extension of the franchise to all sectors of the population and the rise of organizations representing labour; the extension of citizenship as a result; the introduction of the welfare state to ensure a basic standard of living to all; the development of government intervention in the market in terms of nationalisation, Keynesian economic planning and increased state aid to private industry; and the gradual diffusion of economic power. Into the last category fall a number of items: the growth

of joint stock companies and the so-called 'managerial revolution',<sup>22</sup>; the alleged greater interest of private companies in growth rather than profit maximisation;<sup>23</sup> and the emergence of institutional shareholders - such as insurance companies and occupational pension funds - which appear to 'share out' the distribution of equity capital more fairly.<sup>24</sup>

All these trends share a common feature: their visibility. To study them involves studying the paradigm of the first and second faces of power as defined by Lukes. The behaviour of people and institutions; decisions taken; the debate of issues; conflict identifiable through social pressures or the passing of laws; and the reconciliation of interests. These features all attract comment. This is particularly true in the case of the apparent 'shift of power' to the shop-floor in Britain which we discussed in Chapters One and Two.

However, it might be claimed that none of these trends has actually altered the non-observable aspects of power relations in capitalist societies.<sup>25</sup> The 'parameters' of such power relations in, say, Britain may well be substantially similar to those predominant a century ago. It could even be, in fact, that these trends within capitalism have strengthened the nature of the economic structure which protects vested interests by diverting attention towards visible economic and political activity. This captures the argument advanced by Giddens; he maintains persuasively that these trends have led not to post-capitalist but rather 'neo-capitalist' society.<sup>26</sup>

According to him, the mediation of control has widened (in



government, the civil service, business and so on) because increased social mobility allows, in principle, lower class recruitment into these circles. Nevertheless, although these elites may now be considered more or less open, the middle classes stand a better chance of recruitment to them than the working classes, whose 'long-range' mobility is limited. This, he maintains, is generally the case throughout Western Europe. Giddens concludes his argument:

" ... it still makes sense to speak of the continuing existence of a 'ruling' or 'governing class' ... The terminology is not particularly important; what is significant are the variations in the mediation of control between the capitalist societies ...."27

And he adds:

" ... in modern societies, in contrast to previous types of social order, there is a strong pressure upon members of the upper class to deny the operation of the 'class principle', and thereby to deny their own distinctiveness as a separate and isolable class. The 'invisibility' of the upper class in capitalist society is ... the natural expression of whatever degree of monopoly the upper class maintains over access to elite positions in a form of society in which ideals of political and economic 'equality of opportunity' prevail."28

#### The Non-Observable Aspect of Power

This quotation leads us to consider now more closely the other aspect of power, identified earlier, the 'non-observable'. This is essential before continuing to analyse the bearing of this discussion on value consensus in industrial relations. The argument will be that a society or an institution does not require value consensus of an observable kind to hold together in the barest sense, provided that the ideology supporting the non-observable level of power remains intact and unquestioned. Conflicts on the shop-floor - which exhort-

ation and education are useless in preventing - arise because of employees' direct experience of contradictions in capitalist production. Through the exercise of non-observable power this experience is not allowed expression in coherent or logical form. Workers, therefore, remain apathetic, confused and frustrated - all of which promotes the stability of neo-capitalism.

(1) Antonio Gramsci and 'Bourgeois Hegemony'

First, however, we must turn to the notion of non-observable power. For this purpose, the work of Antonio Gramsci is central. Since 1945, the theories of Gramsci have become increasingly influential, no doubt largely because he concentrated attention on the reasons for the longevity of capitalism.

Gramsci himself (1891-1937) is a highly sympathetic figure;<sup>29</sup> born into a poor family in Sardinia, he left school at eleven, but later on, won a scholarship to the University of Turin in 1911. He became a founder member of the Italian Communist Party - and briefly its General Secretary until arrested by Mussolini's forces in 1926. Till his death in 1937 he was kept in prison. His life was hard in personal, emotional, political and economic terms. Yet despite this (or perhaps because of it) he is one of the few Marxist theorists to have studied the survival of capitalism; how bourgeois class interests have managed to construct a bulwark for themselves against the possibility of a revolutionary, working class movement.

As Joll puts it:

" ... one of the reasons why Antonio Gramsci has assumed an importance which one might not have expected, given his own

political failure and the fragmentary and difficult nature of much of his writings, is that he suggested both reasons for the strength of liberalism and capitalism and ways in which a revolutionary movement might gain ground even when the old regime still seems firmly established in power."<sup>30</sup>

So in recent years, there has been an upsurge of interest in Gramsci's ideas. Texts and commentaries have burgeoned.<sup>31</sup> The intention here cannot be to analyse Gramsci's voluminous writings in detail in order to establish what he did or did not say on given issues.<sup>32</sup> Rather, it is to extract what is important theoretically with the use of commentaries, in order to further the analysis of industrial relations ideology on the shop-floor in Britain.

There is disagreement in the literature over the fairness of such a procedure:

"The main pitfall to be avoided at all costs, is an instrumental reading of Gramsci, one which takes advantage of the unsystematic nature of his work to extrapolate passages in an arbitrary fashion in order to back up a thesis bearing little relation to his thought."<sup>33</sup>

Yet on the other hand:

"It may in fact belong to the nature of Marxism, as not a system but a search, to function best in this apparently haphazard fashion, and never arrive at codification ...."<sup>34</sup>

And it is with Kiernan's notion of a "search" firmly in mind that we should turn to Gramsci's achievement.

The main focus of his work was a critique of 'economic determination'.<sup>35</sup> This consists of two closely related views. First, that there is a causal relationship between the economic substructure of society - the ownership of the means of production - and the super-

structure, such that the superstructure can be reduced to terms reflecting the economic base. For example, religion might be described as the product of bourgeois property relations. Second, the superstructure comes to be seen as nothing more than an epiphenomenon - that is, as a social phenomenon merely accompanying the economic substructure as an outcrop, with no independent part to play in the historical process. For example, acting on this belief, a revolutionary movement will ignore the role of religion in a society, concentrating instead purely on changing its economic base and property relations.

Gramsci's principal contribution lies in highlighting the severe limitations of such a view of economic determinism. It is through his concentration on a Marxist theory of ideology that he was able to account for the strength of capitalism in the 20th century. The elusive and illuminating concept of 'hegemony' is central to his theory of superstructure and ideological integration. An early formulation of it is presented by Williams:

"By 'hegemony' Gramsci seems to mean a socio-political situation, in his terminology a 'moment', in which the philosophy and practice of a society fuse or are in equilibrium; an order in which a certain way of life and thought is dominant, in which one concept of reality is diffused throughout society in all its institutional and private manifestations, informing with its spirit all taste, morality, customs, religious and political principles, and all its social relationships, particularly in their intellectual and moral connotation. An element of direction and control, not necessarily conscious, is implied. This hegemony corresponds to a state power conceived in stock Marxist terms as the dictatorship of a class."<sup>36</sup>

Though not entirely accurate - especially, as we shall see, in the last sentence - this quotation points out several interesting

features in Gramsci's use of the term.

First, the dominance of a "certain way of life". In the case of bourgeois hegemony, this means that the dominant class - the bourgeoisie - has succeeded not only in expressing its class interests at an economic level, but also in establishing a coincidence between the interests of the subordinate classes and its own. The subordinate classes may then support this dominant "way of life" not only passively but also actively (though reservations about how active such support may be are considered towards the end of this chapter). Simon, for example, asserts that:

"... hegemony in the Gramscian sense may be defined in a preliminary fashion as a relationship between classes in which one class or fraction of a class exercises leadership over other classes and strata through gaining the active consent of the members of those classes and strata."<sup>37</sup>

Similarly, Hall, Lumley and McLennan stress that hegemony:

"... involves the organization of 'spontaneous' consent which can be won, for example, by the ruling bloc making economic concessions that 'yet do not touch its essential interests', combined with other measures that foster forms of consciousness which accept a position of subordination (what Gramsci refers to as sectional and corporate consciousness)."<sup>38</sup>

Some examples of such "economic concessions" will include some of "the changes" within capitalism in the 20th century - for instance, the development of the welfare state - which we have already briefly touched on in the discussion of the 'observable aspect of power'.

Secondly, the 'exercise' of hegemony - and its content - are highly elusive. References are made to the "diffusion of a concept of reality", and so on. Often, like God, it appears to surround us all everywhere:

"In reality, the hegemony of one social class over other subordinate classes in society may be extremely complex, a cultural tissue of great variety and subtlety, extending all the way from the education of infants to the naming of streets, present in people's inhibitions and mental blocs as well as in what they profess to believe - all that tradition of the dead generations 'weighing like a nightmare on the brain of the living', as Marx said."<sup>39</sup>

Yet thirdly, hegemony concerns in some sense a unified set of beliefs about social reality. It is a 'Weltanschauung' - a way of seeing the world, a prism through which reality takes on its many colours. The different elements which together constitute the super-structure are not reducible to the economic substructure; nor, indeed, are they mere by-products of it as they may affect changes in the substructure. Yet taken together they coalesce into an all-pervading world view, which protects the interests of the dominant class.

Merrington states:

"While the various political and ideological formations correspond to the interests of the dominant class, they cannot be reduced to mere emanations or epiphenomena of the structure, and are susceptible to different historical forms and combinations which in turn react upon the structure. It is through this 'unity in multiplicity' that it becomes possible, by the analysis of relations of forces within a determined historical situation, to establish the objective co-ordinates of the political struggle as a whole, taking account of the possibility of error or unforeseen results of actions on the part of the agent."<sup>40</sup>

This notion of "unity in multiplicity" is also taken up by Nowell-Smith:

"Hegemony is the exercise of power through a unified system of apparatuses, in so far as this power does not require the use of force or the making explicit of relationships of dominance. The importance and the utility of the concept, thus defined, lie in the fact that hegemony is not a property of all systems of social and political relations."<sup>41</sup>

Here, Nowell-Smith injects a new element into the discussion. Not only is 'hegemony' in some sense a "unified system" but, and this constitutes the fourth aspect associated with this concept, as such it may either be present or not within the battery of methods that a governing class has at its disposal to secure the compliance of subordinate classes. It is, therefore, not accurate to assert, as Williams does, that hegemony merely equals state power "conceived in stock Marxist terms as the dictatorship of a class."<sup>42</sup> It is quite possible for dictatorships representing class interests to rule by force and violence alone, or at least with the barest consent of the subordinate classes; in such a case, their active consent is lacking, and with it, hegemonic rule. According to Nowell-Smith, hegemony is present when "power does not require the use of force or the making explicit of the relationships of dominance". Stated in this way it is clear that 'hegemony' bears a striking resemblance to what we have, till now, been calling the non-observable aspect of power. Indeed, this is the case, though Fox and Giddens do not make such an observation, and Lukes does so only tangentially. But the critical difference between the treatment of the two concepts by Lukes, for instance, on the one hand, and Gramsci on the other, is that Gramsci - as an active Marxist - is particularly concerned to find out how the concept of 'hegemony' should lead to developing strategy in the world of revolutionary politics. Lukes is primarily interested, as an academic, in "a deeper analysis of power relations ..."<sup>43</sup>

Gramsci's activity led him, broadly, to two major conclusions. The first was that active intervention in politics was necessary for the working class and those 'organic' intellectuals nurtured within

it through the Communist Party. A proletarian hegemony had to be developed to counter the bourgeois variety, as the major impetus behind revolutionary progress:

"One of the constants of Gramsci's position was his view that revolutionary politics must necessarily be an active intervention in history, and could not consist simply in adopting 'correct' positions and waiting to be proved right ...."44

But it is the second conclusion, related to the first, which we must grasp here. It is that a strict analysis of the existing power structure of the bourgeois state - especially the complex relationship between force and consent - should underpin all such revolutionary activity. Gramsci, for instance, was careful to distinguish between Social Democracy and Fascism, unlike many on the Comintern who noted simply that they shared the same economic substructure.

"He was critical of Bordiga (in Spring 1924, still leader of the Italian Communist Party) for underestimating the internal contradictions of Italian capitalism and for believing that the specific forms of bourgeois rule were irrelevant and that the only perspective was one of a crisis of the capitalist system ...."45

So it is that we draw out the fifth aspect of hegemony. Not only is it either present or absent within a given society, but it will also take on a very specific form. The relationship between hegemony and the State is a varying one. The State's ability to mobilise consent through its quasi-autonomous ideological structure will play a crucial part in deciding the outcome of any heightened class conflict. Consent is a key resource of the State, but the question is open in any particular situation how easily, for instance, consent can be won amongst subordinate classes to use force against a particular sector which is threatening subversion (for example, the



use of troops to carry out strike-breaking activity).

One of the most compelling discussions of Gramsci's thought in this respect is a seminal article by Perry Anderson. In it, he carefully traces the origins of the term 'hegemony', with particular reference to the bourgeois variety. He also establishes that there are three differing treatments of the concept by Gramsci himself. Each one relates to a different 'extent' of hegemony - that is, its pervasiveness - within a particular formation of advanced capitalism. The basic premise is that for Gramsci:

" ... the normal structure of capitalist political power in bourgeois - democratic states is in effect simultaneously and indivisibly dominated by culture and determined by coercion."<sup>46</sup>

In other words, the everyday functioning of neo-capitalist societies is ensured through the operation of hegemony - which here includes both cultural and political dimensions - but force, through the army and police, is always present to intervene in the case of threatening disorder or rapid socialist advance.

But what, then, is the balance between force and consent, and how is it maintained?

"Gramsci's first and firmest answer is that hegemony (direction) pertains to civil society, and coercion (domination) to the State."<sup>47</sup>

In this formulation, there is a contrast drawn between "civil society" (in this case, those institutions providing for cultural expression like the churches, the family, the educational system, the media and so on) which is hegemonic, and the State, whose function

is the control of violence. This contrast can be illustrated by Gramsci's views on the differences between the revolutionary struggles in Russia in 1917 and in the advanced capitalist societies later on. In Russia, the State - the symbol of coercive domination - was unable to withstand the ravages of defeat in World War I. Lacking popular support and standing alone, the State was toppled by an "incursion", a "war of manoeuvre", by the Bolsheviks when its capacity for coercive repression, its only defence, was at its lowest ebb. On the other hand, in the West, civil society presents - like a system of trenches in a "war of position" - the principal defence against catastrophe. Even severe recessions hardly mark the apparent capacity of neo-capitalism to survive, since civil society, in all its absorbent complexity, has such a pervasive hold on the minds, loyalties and activities of its members. The final resource of the State - violence - can remain hidden.<sup>48</sup> In consequence, the 'contrast' model - civil society v. the State - is not such an obviously appropriate one for the West as it is for dictatorships and autocracies, in which violence is far more part of everyday life in the suppression of dissent.

This leads on to a second formulation:

" ... in which Gramsci speaks of hegemony, not as a pole of 'consent' in contrast to another of 'coercion', but as itself a synthesis of consent and coercion."<sup>49</sup>

In this model, hegemony encompasses the political dimension of class domination, in addition to the cultural dimension of "civil society". That is, it includes the notions of parliamentary democracy, regular elections, freedom of speech, association, press and so on - none of which exist in the first model. These democratic developments

in the West during the last century or so are all features of the apparent "shift" in the visible aspects of power already discussed in relation to liberal pluralist theories. However, active consent in State domination through parliamentary institutions also means that, as Anderson succinctly puts it:

"There is always a structural asymmetry in the distribution of the consensual and coercive functions of this power. Ideology is shared between civil society and the State: violence pertains to the State alone. In other words, the State enters twice over into any equation between the two."<sup>50</sup>

Through parliament, the subordinate classes will express active consent in the use of State coercion against those seeming to threaten it. This "twice over" element helps to explain the firmness, the apparent impenetrability of State power under neo-capitalism:

"The novelty of this consent is that it takes the fundamental form of a belief by the masses that they exercise an ultimate self-determination within the existing social order. It is thus not acceptance of the superiority of an acknowledged ruling class (feudal ideology), but credence in the democratic equality of all citizens in the government of the nation - in other words, disbelief in the existence of any ruling class."<sup>51</sup>

The "ruling class" has then become invisible. This is the point made by Giddens (p.72), and ties in once more with the theme, the non-observable aspect of power. The dominant class is most powerful when invisible, because hegemony comes to embrace or encompass the State as well. In such conditions force is less likely to be needed to maintain control, but if it is needed, its use is unlikely to provoke sharp or damaging reaction amongst the subordinate classes. Such is the case in the Western "bourgeois democratic" nations in the latter part of the 20th century.

In the third formulation,

"... the distinction between civil and political society disappears altogether: consent and coercion alike become co-extensive with the State."<sup>52</sup>

Here, civil society (consent) becomes identical with the State. In other words, the State swallows up both cultural and political hegemony, so that the distinction between it and them vanishes. This is a totalitarian model. Gramsci, of course, had direct and brutal experience of Fascism in Italy; as Fascism developed, the realm of civil and political privacy was gradually eroded. Intermediary organizations - such as those belonging in civil and political society - were slowly subjected to State domination and control. This did not impinge only on the rights of the individual to belong to diverse political parties and trade unions; it also extended to the rights of the individual to have his own thoughts in his own home. In Germany, for instance, children were expected to report on their parents through the Nazi youth organizations.<sup>53</sup>

So, in summary, as Anderson demonstrates, for Gramsci "the State itself oscillates between three definitions:

State	contrasts with	Civil Society
State	encompasses	Civil Society
State	is identical with	Civil Society" <sup>54</sup>

Broadly speaking - and this is not Anderson's phraseology - the three models correspond to 'dictatorship', 'bourgeois democracy' and 'Fascism'. It will be the second model which provides our main focus.

So far, then, we have separated out five aspects of 'hegemony' which most commentators, with more or less emphasis, characterise as

the defining features of the concept. In résumé, they are:

- class rule through the dominance of a "certain way of life" which enjoys the active consent - albeit unconsciously - of the subordinate classes;
- a considerable elusiveness in precise definition, with reference often being made to the "diffusion of a concept of reality" throughout society (though keenness to be more specific may simply betray a strong dose of British empiricism);
- the fact that 'hegemony' nevertheless presents a unified view of society and that there is "unity in multiplicity", i.e. that although the interests of different political formations amongst the dominant superstructure may indeed conflict and put forward differing rationales of behaviour, they agree over the "real nature" of society, human nature and the fundamental course of economic and political activity;
- 'hegemony' is only one means amongst others - for instance, the use of force, or ideological domination with only passive consent from subordinate classes - which can be employed by a dominant class; and furthermore, it is found (in its bourgeois form) only in the advanced, neo-capitalist societies of the West; and finally,
- when present, it will take on a very specific form. For instance, one State may be more easily able to use force in given circumstances with popular consent against a sector of the population than another. Anderson distinguishes three such forms from Gramsci's writing, what we have called here the 'dictatorship', 'bourgeois democratic' and 'totalitarian' models.

So it is, then, that we arrive at an 'ideal type' of hegemony.

## (2) Contradictory Consciousness

The question which now arises is how we can use the concept to further the analysis of industrial relations. To do this, we have to be very sure about what it does and does not entail. For this purpose, a distinction can be drawn between social harmony and social integration. Following Eldridge, in turn following Dahrendorf, social harmony involves the pursuit of consensus - for example, through political coalition or industrial co-partnership - as a good in itself, with a consequent "institutionalised fear of social conflict."<sup>55</sup> Harmony might be a goal at national or industrial level, but under capitalism conflict is not, of course, eradicated; denied social expression it tends rather to manifest itself through the behaviour of individuals - poor morale or high rates of absenteeism in industry, for example. The pursuit of social harmony can be compared to the 'unitary frame of reference' discussed in Chapter One in that it assumes a communality of interest between all sectors of a population or enterprise. On the other hand, social integration presupposes the legitimacy of conflict; procedures are designed to give it shape, and in turn, they allow the social system to cohere as a whole. For liberal pluralists, then:

"... integration is to be understood within a pluralist framework in which adequate institutions for conflict regulation are established as between the State on the one hand and the enterprise on the other, so far as industrial life is concerned."<sup>56</sup>

However, some theorists, as Eldridge points out, have not seen social integration in such a benign light. Marcuse, for instance,

in "One Dimensional Man", views social integration as the result of ideological manipulation by elite groupings:

"By virtue of the way it has organized its technological base, contemporary industrial society tends to be totalitarian. For 'totalitarian' is not only a terroristic political co-ordination of society, but also a non-terroristic economic-technical co-ordination which operates through the manipulation of needs by vested interests. It thus precludes the emergence of an effective opposition against the whole. Not only a specific form of government or party rule makes for totalitarianism, but also a specific system of production and distribution which may well be compatible with a 'pluralism' of parties, newspapers, countervailing powers, etc. Today, political power asserts itself through its power over the machine process and over the technical organization of the apparatus."57

According to Marcuse, individuals in industrial societies, as presently constituted, live under repressive conditions; despite the potential for human emancipation which technological development represents, it has never been unleashed because the military, big business and their political allies are concerned only with arms manufacture and destruction.

Now, Marcuse's use of the term 'totalitarian' in the last quotation has a resonance with the third formulation of Gramscian hegemony outlined above (p.83). However, Gramsci himself, as we saw, insisted on a distinction between 'bourgeois democratic' and 'fascist/totalitarian' societies, despite their similar economic substructures. It is not helpful at all to stretch the meaning of words like 'totalitarian' as Marcuse does: the State in the Western neo-capitalist societies has not assimilated intermediary groups into itself, nor has it systematically sought to eradicate the privacy of individuals. Marcuse effectively blurs the differences between terms like 'bourgeois-

democratic' and 'totalitarian', and correspondingly blurs the differences between terms like 'social integration' and 'social harmony' as conceptual categories. Often, the reason for this is to illustrate the similarities between the current order and Fascism:

"The monopoly capitalist management of the population, the inflated economy, the 'defence' policy of kill and overkill, the training for genocide, the normalisation of war crimes, the brutal treatment of the vast prison population have built up a frightening reservoir of violence in everyday life ... The whole complex of aggression and (its) targets indicates a proto-fascist potential par excellence."58

The subtlety of Gramsci's theory is that, within the procedures established by the 'bourgeois democratic' State to achieve social integration, it acknowledges the considerable autonomy permitted to the interests of the subordinate classes. For example, campaigns to prevent racial or sexual discrimination at work avail themselves of these procedures to achieve their ends - though even when successful, the mere use of the procedures and other cultural resources has helped to maintain the hegemonic power of the dominant class.

And this leads to one of the most original aspects of Gramsci's concept. Marcuse's "Man" might be one-dimensional, but Gramsci's is most certainly not. On first view, the concept of 'hegemony' has a heavy, all-embracing feel. Like the night, it is everywhere yet nowhere, stifling yet invisible. Yet Gramsci observed that belief systems and world views - people's cognitive apparatus - do not always necessarily match actions or behaviour. In other words, people often think one thing, but do another.

Earlier on, we noted that active consent in the social structure was one of the hallmarks of hegemonic domination. It is time now to



qualify this statement. Femia, in an absorbing article, quotes Gramsci who draws attention to the frequently passive or superficial consent persisting under capitalism by contrasting belief with behaviour:

"... is it not often the case that there is a contradiction between one's intellectual affirmation and one's mode of conduct? Which then is the real conception of the world: that logically affirmed as an intellectual act? Or that which emerges from the real activity of each man, which is implicit in his behaviour?"<sup>59</sup>

And again:

"The active man-in-the-mass has a practical activity, but has no clear theoretical consciousness of this activity ... One might almost say that he has two theoretical consciousnesses (or one contradictory consciousness): one which is implicit in his activity and which truly unites him with all his fellow-workers in the practical transformation of reality; and one, superficially explicit or verbal, which he has inherited from the past and has uncritically accepted. But this 'verbal' conception is not without consequences. It binds together a specific social group, it influences moral conduct and the direction of will, in a manner more or less powerful, but often powerful enough to produce a situation in which the contradictory character of consciousness does not permit of any action, any decision or any choice, and produces a condition of moral and political passivity."<sup>60</sup>

This concept - 'contradictory consciousness' - is immensely important, and together with 'hegemony' will form the basis of our analysis of industrial democracy. Though empirical evidence for it will be examined in Chapter Four, it is relevant to make some theoretical observations here.

We have seen that "the active man-in-the-mass" may well participate in much of the dominant belief structure (though not, it is true, as coherently as members of the political elite).<sup>61</sup> However, at their

work-place people often betray conflictual patterns of behaviour - the trilogy of industrial relations "problems" outlined in Chapter One (strikes, restrictive practices and wage drift) are evidence of that. In addition, they will frequently point to concrete examples of management inefficiency with the complaint "they don't know what they're talking about" or "we could have done better than that".<sup>62</sup>

Several writers have pointed out the theoretical implications of this state of affairs:

"Consent, then, becomes essentially passive. It emerges not so much because the masses profoundly regard the social order as an expression of their aspirations as because they lack the conceptual tools, the 'clear theoretical consciousness', which would enable them effectively to comprehend and act on their discontent - discontent manifest in the activity uniting them 'in the practical transformation of reality'."<sup>63</sup>

The point made there by Femia is developed by Parkin:

"The fact that the subordinate class tends to have two levels of normative reference, the abstract and the situational, is highly relevant (as to) whether it is more plausible to speak of a common value system shared by all classes, or a class differentiated value system."<sup>64</sup>

Parkin elaborates the view that studies of working class attitudes which rely on questions put in general or 'abstract' terms tend to elicit consensual responses, because they reflect the dominant (hegemonic) value system. However, those studies which rely on questions put in 'situational' terms - requesting information about actual behaviour in given circumstances - tend to elicit more conflictual responses "because in situational contexts of choice and action, the subordinate value system will tend to provide the moral frame of reference".<sup>65</sup> Here Parkin assumes the existence of a "subordinate value system", which would evidence a relatively sophisticated work or occupational community

- more likely, such an integrated community is absent.

This angle is pursued by Mann, who analyses carefully the different elements which constitute "subordinate value systems" - in his eyes, the processes through which working class consciousness emerges. He distinguishes four stages.

First, workers must define themselves as working class with an identity in common with others occupying similar positions in the economic substructure. Second, they must come to see capitalists and their agents in opposition to workers' interests. Third, the notion of class totality must bring the realisation that the class system defines the quality of workers' lives both socially and societally; in other words, it is the central feature determining life chances. And finally, there must emerge "the conception of an alternative society" - one in which class antagonisms are superseded once and for all through socialism. As Mann continues: "True revolutionary consciousness is the combination of all four, and an obviously rare occurrence."<sup>66</sup>

It is clear that no smooth or automatic link exists between these stages.<sup>67</sup> This can be demonstrated through a survey of sociological literature on levels of consciousness amongst groups of workers. Much has been written on this - much, indeed, also, on the concept of 'consciousness' itself - but usually as we see in Chapter Four in very static terms, for example with reference to occupational status. The concept of contradictory consciousness helps to explain this static quality in the literature.

As Mann argues:

"Thus the most common form of manipulative socialisation by the liberal democratic state does not seek to change values, but rather to perpetuate values that do not aid the working class to interpret the reality it actually experiences. These values merely deny the existence of group and class conflict within the nation-state society and therefore are demonstrably false."<sup>68</sup>

This is an admirably succinct statement of the notion of "contradictory consciousness". But if true, then the Western working classes will rather lack a coherent self-image. Instead, there will be a multitude of patchy 'consciousnesses' at various stages, and mainly of an occupational or 'labourist' class identity nature. This is precisely what does happen. Given the hegemonic form of class domination, even the idea that there is an enduring dominant class acting in opposition to working class interests will be rare. As we have seen, the dominant class lies invisible. So we can go beyond Femia and Parkin: not only does hegemony prevent the emergence of "clear theoretical consciousness" about alternative social realities, but it also hinders the development of notions of totality and opposition - and in many cases, even class identity itself. Instead, workers will mouth consensual attitudes at the abstract level, and, experiencing conflict at the work-place, express resignation, frustration or apathy there, or else indulge in individualistic acts of protest.

'Contradictory consciousness', once established conceptually and empirically, must deal the final blow to the liberal pluralist analysis of industrial relations in even Fox's amended form. Fox, despite his neo-Durkheimian critique of the 'Oxford School', still advocates solutions for industrial relations problems similar to theirs: the

development of high-trust relationships in industry, for example, assumes a basic value consensus between management and work-force.

It is, then, the task of the next two chapters to disprove that any such consensus exists by carefully examining the evidence for 'contradictory consciousness'. This provides the necessary foundation for the subsequent analysis of the role of industrial democracy in British industry since around 1945.

#### CHAPTER FOUR

So far, we have presented a theoretical critique of the liberal pluralist perspective on industrial relations through an analysis of 'contradictory consciousness'. We must now complete this critique and prepare the ground for our analysis of industrial democracy by further examining contradictory consciousness in relation both to empirical evidence and to theories of incorporation.

Contradictory consciousness illuminates incorporation theory, which in turn explains how, in progressive stages, working class interests have been de-radicalised. This might take the form of granting concessions to these interests - for example, by allowing certain legal immunities to trade unions; or it might mean moulding them - for example, by shaping working class political aspirations through parliamentary democracy; or it might mean limiting or constraining them - for example, by imposing a 'frontier of control' on the shop-floor.

The role of contradictory consciousness in such a discussion is to account for the relative success of incorporation. In this chapter we look at political, economic and some forms of industrial incorporation, all of which have enjoyed some success in stemming working class conflict. For Gramsci's "active man-in-the-mass", these levels of incorporation correspond mainly to what we have called the 'abstract' level of attitude and belief - although in politics and industry a strong tradition and language of reformist labourism still provide a focus for working class conflict. However, in Chapter Five, we turn to shop-floor behaviour; at the point of production, the "active man-

in-the-mass" appears to remain stubbornly committed to act in a conflictual way to defend his interests - and as we shall see in the rest of the thesis, industrial democracy is designed to cope with this 'situational' level. The process of incorporation is, therefore, a complex and subtle one ... and we begin by analysing some of the awkward questions raised by the concept itself.

### The Relevance of Incorporation Theory

In general terms, there are two accounts put forward on the Left to try to explain the lack of revolutionary ardour amongst the British working classes; why it is, for instance, that trade unions have become enmeshed in negotiating the annual pay round instead of demanding structural change through abolishing the wages system itself.

Coates summarises the first position:

"The most popular explanation offered up on the Left at the moment is a rather vulgarised version of Lenin's theory of 'labour aristocracy'. Simplifying Lenin's subtle formulae, it is assumed that imperialism, colonial and monopolistic extortion, has enabled the metropolitan ruling classes to cast 'crumbs from its table' to favoured sections of the working class. The latter are thus bought off, given high hopes of reform and persuaded to settle for such reformist solutions to their complaints."<sup>1</sup>

The author goes on to point out the disadvantages of this view:

"For one thing, the most militant and aggressive sections of the trade union movement in almost every advanced country are the better paid ones."<sup>2</sup>

Now we clearly cannot delve here into the relationship between the development of imperialism and the labour aristocracy. However,

there is a certain similarity between the 'labour aristocracy' thesis and the literature which burgeoned in the late 1960s around the famous 'affluent worker' studies.<sup>3</sup> Basically, the similarity is that sectionalism - splits within the working class founded either on status or income differentials - hinders the emergence of working class solidarity with coherent, radical demands. There is certainly some truth in this belief. Evidence suggests that workers within status groups - unskilled, semi-skilled and skilled - tend to compare their relative life chances only with others in adjoining social status groups.<sup>4</sup> That is, they do not identify themselves as working class, with a common relationship in the labour market subject to the same uncertainties and problems in consequence. We return to the 'affluent worker' in Chapter Five - the point made then will be that his relative prosperity during economic booms does nothing to alter his objective position in the labour market as a wage-earner.

And so, this aspect of the affluent worker question can be collapsed into the second general explanation for working class acceptance of capitalism; since affluence alone cannot be sufficient, we turn to the concept of 'incorporation'. This term, coming from the Latin word 'corpus', meaning 'body', refers to the process whereby a subject draws an object into itself, to form with it a single cohesive whole - a body.

In this thesis, we have been arguing for and then assuming a conflict model of society. Nevertheless, as Mennell declares:

" ... it is certainly nonsense to see consensus and conflict simply as opposites. C. H. Cooley put the matter in a nutshell when he observed that 'conflict and co-operation are not separable things, but phases of one process which



always involves something of both'"<sup>5</sup>

To the degree that this is a truism (albeit an important one), it seems reasonable to postulate that some form of incorporation of the working class by the ruling class takes place in Western societies, simply because 'consensus' and 'agreement' imply incorporation or 'taking in'. However, as Eldridge points out, the concept does have "some frayed edges":

"There are many variations on the theme of incorporation and a range of judgements as to the desirability of the processes discerned. What does seem to be implied with greater or lesser degrees of firmness is the proposition that wage labour in Western societies has been contained by the capitalist system. This thesis does typically present itself as an alternative to the polarisation thesis of class conflict. Indeed, it partly addresses itself to the question of why such revolutionary conflicts have not occurred."<sup>6</sup>

So we may begin by conceding that "the capitalist system" is the subject which incorporates "wage labour" in Western countries. But beyond that, a whole series of questions arises.

First, what exactly is the object of incorporation? That is, what aspects of wage labour are allegedly being incorporated? Consensus and agreement are being sought over what? - its values and beliefs? Or merely its participation in the social structure?

Second, in which areas of social activity is incorporation taking place? In moral codes of conduct? In political decisions or in economics and industrial relations?

Third, at which levels does incorporation occur? Just at national levels through parliamentary democracy, and the involvement

of, for example, the TUC in the pursuit of economic objectives?  
Or does it extend downwards through industry as well?

These three questions are explored in this chapter, and in the following one we turn to a fourth: how far have the processes of incorporation affected shop-floor behaviour? And what significance do our answers to this question have for our understanding of industrial relations and industrial democracy?

The notion of 'incorporation' which emerges from this discussion serves as the foundation for the rest of this thesis.

### The Object of Incorporation

Many writers - both sociologists and non-sociologists - have made the assumption that societies 'hold together' because their members share certain elements in common. This sharing, usually of values, is alleged to be the basis for the legitimacy of the social structure:

"Any community will have certain moral ideas and ideals in common. Without some fundamental concepts held in this way, a society would disintegrate. This basic consensus constitutes the 'common possession' of society ... (and is) reflected in the law and structure of Government."<sup>7</sup>

Obviously, if the working class are being incorporated, they must be coming to share these 'ideals' as well. But what range of ideals are there? As Mann points out, there are three possibilities:

"Firstly, there are those (writers) who stress the commitment of social members to ultimate values, of which examples might be generalised beliefs in equality and achievement ... Others, however, stress commitment to social norms, of which well-known examples are an adherence to the 'rules of the democratic game' and opposition to those who introduce strong conflictual elements (such as class ideology) into politics ... Finally, there are writers who stress commitment

to beliefs about how society is actually organized ...."<sup>8</sup>

Mann, in this article, is not concerned with the process of incorporation; all the same, he highlights several conceptual problems related to the view that shared values, norms and beliefs integrate society. It is, to start with, usually very difficult to specify which values and so on have an integrative effect. As he says, notions of "social justice" and "democracy" are very vague, held often by both conservatives and revolutionaries alike.<sup>9</sup> But in any case, the holding of even precisely stated values can lead to conflict, not consensus; for instance, not everyone can achieve "economic success", and failure - on an individual level - may lead to bitterness and envy. In addition, dominant values may frequently conflict with one another: "competition" conflicts with "equality" unless definitions are muddled, in which case the value rather loses its content, and with it presumably its binding character. Finally, in the case of this kind of value conflict, social-cohesion is more likely to result from the lack of commitment to 'core values'. If the working classes are not committed to 'achievement' then social stability is more likely to ensue than if they are, since not everyone can 'achieve' in narrow terms. It may be that role specific values, though widely differing (e.g. teacher, parent, school governor), may produce greater social cohesion than commitment to core values through the development of a Durkheimian organic solidarity.

For these a priori reasons alone, then, it would appear that any process of incorporation is unlikely to lead to general, working class commitment to core social values, norms and beliefs. Indeed,

after an extensive review of the literature, this is Mann's conclusion.<sup>10</sup> So we are still left with the question: what is being, or has been, incorporated?

### Areas of Incorporation

The answer becomes clearer when we turn to the second question posed above: in what areas is incorporation supposed to take place? There are, broadly speaking, three main areas which emerge: politics, and the extension of citizenship; economics, and the development of corporatism; and industry, with the focus on trade unions and industrial democracy. For many writers, the underlying dynamic behind these trends is the incorporation of working class interests. This is often related to commitment to those common social procedures designed to resolve conflict. Rights to participate in the procedures are granted in exchange for the responsibility to follow them. In the case of industrial relations, for instance, we have already seen how Flanders lays great emphasis on collective bargaining as the chief method of job regulation in Britain through which workers' economic interests are mediated. Such a view implies a certain commitment - by at least sections of the working class, in particular union representatives - to laid down bargaining procedures. Fox, when analysing work attitudes, is careful to draw a distinction between 'substantive' orientations to work (concerning pay, conditions, security and so on) and 'procedural' orientations (concerning decision-making processes)<sup>11</sup>.

It is frequently assumed by liberal pluralists that following

procedure confers legitimacy on the outcome.<sup>12</sup> As we shall see, commitment to procedure varies considerably amongst the working class, dependent on the extent to which it protects their own self-perceived interests. Indeed, much procedure is accepted only pragmatically. Only to the extent that workers internalise commitment, can it be maintained that they are incorporated and that their interests are legitimised. We now investigate three areas in which this could be claimed to happen.

### (1) Political Incorporation

Perhaps the best known and most influential study of political incorporation is that of T. H. Marshall in which he distinguishes three elements in the concept of "citizenship". These are the civil element: "the rights necessary for individual freedom - liberty of the person, freedom of speech, thought and faith, the right to own property ...."; the political element: "the right to participate in the exercise of political power ...."; and the social element: "the right to a modicum of welfare and security ...."<sup>13</sup>

The question which fascinates Marshall is how these principles of citizenship and social equality can co-exist with the pre-existing inequalities of class. In fact, of course, conflict between the two is transcended because:

"... our society today assumes that the two are still compatible, so much so that citizenship has itself become, in certain respects, the architect of legitimate social inequality. Is it still true that the basic equality can be created and preserved without invading the freedom of the competitive market? Obviously it is not true."<sup>14</sup>

The point is that "citizenship" has not interfered at all with

the functions of the free market. Once again, we have the tension between observable and non-observable aspects of power. Free market relations are assumed when discussing citizenship, the development of which is an observable phenomenon. Indeed, as Marshall argues: "civil rights were indispensable to a competitive market economy"<sup>15</sup> because individuals could then be expected to struggle independently for themselves in the market and not expect social protection. Political rights, despite their potential danger to the system, led to pressure for social ones. Yet here, the result has been the remoulding of inequalities, with new ones arising: education, through its relation to the occupational structure, gives rise to streaming; council housing estates maintain physical divisions between the social classes; the National Health Service is neglected by consultants who prefer to spend more time in remunerative private practices. Marshall himself concludes:

"... there is a kind of basic human equality, associated with full community membership, which is not inconsistent with a superstructure of economic inequality."<sup>16</sup>

This conclusion is echoed by Bendix who extends Marshall's analysis to cover many other European countries, with special reference to working class entry into national politics. He states:

"... all adults who would take advantage of their legal, political and social rights naturally associate with one another in order to advance their claims as effectively as possible, and such associations reflect (or even intensify) the inequalities of the social structure."<sup>17</sup>

The social structure remains intact.

Now, the effects of this extension of citizenship have been

commented on at length. In relation to working class political incorporation, for example, the whole process is the subject of a well-known study of the Labour Party by Miliband.<sup>18</sup> Clause Four of the Labour Party Constitution states clearly that "common ownership of the means of production, distribution and exchange" is its aim,<sup>19</sup> yet the main achievement of the Parliamentary struggle has come to mean little more than support for the Welfare State. Yet there is overwhelming evidence that the Welfare State is compatible with continued poverty and unequal life chances;<sup>20</sup> that it helps to preserve the status quo in times of recession through the provision of basic requirements;<sup>21</sup> that its principal purpose is to service the needs of industry through the provision of a healthy, educated labour force;<sup>22</sup> and that, because it does not recognise social provision as an end in itself, it can in any case be progressively dismantled by a government determined to cut public expenditure.<sup>23</sup> Welfare provisions - social rights - are therefore marginal. They do not at all imply changes in the structure of capitalism; the changes represented can be studied very much at the observable level favoured by liberal pluralists.<sup>24</sup>

It can, then, be argued that the focus on Parliament as the arena for political confrontation and the emergence of the Welfare State have represented a major compromise of working class interests. However, despite this, there has been little disenchantment with Parliamentary procedures. This is largely because, as the Times once noted in a leading article:

"It is a well-tried principle of British political life that to institutionalise protest is an effective way of

channelling it into constructive ends."<sup>25</sup>

This somewhat complacent observation rings true because the "constructive ends" referred to are defined predominantly through Parliamentary procedures which themselves protect hegemonic interests. The deficiencies of the Welfare State become victim of the "mobilisation of bias" - as is well understood, a large proportion of the working class votes Conservative in the UK.<sup>26</sup>

To achieve such a state of affairs, the dominant class has also compromised its interests - but very much within the 'observable' aspect of power relations. Its major achievement is to have developed, at national and local level, a strong hegemonic grip. Moorhouse has provided an interesting and important historical account of how this occurred.<sup>27</sup> He points out - following historically what Mann has emphasised theoretically - that the working class were not incorporated into politics in the 19th century through subjective factors (values and ideals). That is, explanations which emphasise working class values - deference, desire for respectability, religion and so on - as the principal force behind working class political incorporation are misconstrued.<sup>28</sup> In fact, claims Moorhouse, working class 'compliance' was achieved through the structural constraints of the political system itself. For instance, the extension of the franchise in 1867 was "essentially a controlled experiment" which through various political devices and the exploitation of economic relationships limited the chances of revolutionary working class mobilisation:

"... the ruling class, collectively or individually, strove to control a changing and threatening situation to their advantage. The 'rights' granted to the new voters consisted almost entirely of being able to choose between the



alternatives set by those who already controlled the major sources of economic and political power."<sup>29</sup>

Indeed:

"... far from altering economic and social structures, the new electoral arrangements served as an added buttress to inequality."<sup>30</sup>

Examples of political and economic devices used to achieve these ends included: strict qualifications on residence requirements for electoral registration (changing lodgings meant loss of the vote for two years before the residence qualifying period was met); under-representation of urban areas in Parliament; bribery of working class leaders; the use of family fortunes to bribe voters; and so on.<sup>31</sup>

So choosing between pre-established political objectives meant for the voter that priorities for political conflict were set 'from above'. The development of latent conflict was inhibited or suppressed, and as Moorhouse observes, participation in such a system without real power soon became "ritualistic".<sup>32</sup> Such external constraints, as they made themselves understood and became implanted in working class mentality, turned into internal or subjective constraints - that is, apathy, frustration and so on. In such a way are political rights made compatible with social inequality.

In addition, though, this ability to fix alternatives also throws light on the "unity in multiplicity" dimension of hegemonic domination in Britain. Alternative political programmes are permitted and legitimised to the degree that they correspond to a notion of the 'national interest' - whose supreme political symbol is Parliament itself. This does not, of course, prevent alternative political

programmes from differing considerably from one another; the strength of active consent by all classes in the Parliamentary process is at least in part explicable through its symbolic character in unifying these alternative programmes. Historically they have been pre-established by the means described by Moorhouse, which have now become the "well-tried principle" vaunted by the Times to channel protest into "constructive ends". The symbolic character of these Parliamentary processes extends Moorhouse's observation on "ritualism" - and leads us to consider Lukes' insights on the same subject.

In an illuminating re-analysis of political rituals - the Coronation and the Investiture of the Prince of Wales in the UK; and Memorial Day, Kennedy's Inaugural and popular reaction to his assassination in the USA - Lukes maintains:

"Such ritual plays ... a cognitive role, rendering intelligible society and social relationships, serving to organize people's knowledge of the past and present and their capacity to imagine the future. In other words, it helps to define as authoritative certain ways of seeing society: it serves to specify what in society is of special significance, it draws people's attention to certain forms of relationships and activity - and, at the same time therefore, it deflects their attention from other forms, since every way of seeing is also a way of not seeing."<sup>33</sup>

As a result, political ritual can be considered as a means of exercising power. Lukes makes no reference in this article to the "third face of power", but he continues that his approach to ritual:

"... would examine the cognitive dimension of social control within modern, class-structured societies, revealing the manifold ways in which institutionalised activities, seen as rituals, can serve to reinforce and perpetuate dominant and official models of social structure and social change, of, say, the 'kingdom', the 'Empire', the Constitution, the Republic, the nation ...."<sup>34</sup>

This, in itself, is a highly suggestive way of studying ritual. But Lukes develops his view by maintaining that many other political, institutionalised forms of activity can be seen in the same way, even though not normally identified as ritual. As examples, he cites the 'Law', the activities of Legislatures and elections, all of which perpetuate the political system by defining our perceptions of it. For example:

" ... it is, undoubtedly, elections which are the most important form of political ritual in liberal democratic societies, partly because of their central place in the official ideology of such societies, partly because of the high degree of mass participation which they involve ... The ritual of voting draws (voters') attention to a particular model of 'politics', of the nature of political conflict and the possibilities of political change. Moreover, it both results from and reinforces the belief, in which there is normally little truth, that elections give them an influence over government policy. In this way, participation in elections - that minimal but most basic democratic activity - appears as the essence of 'democracy' and thereby contributes to the stability of both the liberal and socialist democracies."<sup>35</sup>

Incorporation at this political level - the extension of citizenship and the promotion of active consent in Parliamentary processes through their ritualisation - have certainly been one of the chief factors accounting for the relative stability of Western neo-capitalist societies. The political structure placed a constraint on working class activity, with incorporation taking the form initially of a limitation on the kind of political participation which was possible. The development of active consent in this limitation has since made Parliamentary politics a bulwark of hegemonic control. This is undoubtedly because Parliament's role in the emergence of citizenship has been in working class interests - social rights have been established through pressure from Labour representation in the Commons. One of the

key distinctions drawn by commentators between the economic depressions in the 1930s and 1980s lies in the existence today of a greater range of welfare benefits to cushion unemployment.<sup>36</sup> Parliamentary procedure, by producing such benefits, is legitimised. It interferes very little with the roots of inequality and does nothing to prevent unemployment in the first place.

Parliament is, then, the core defence of neo-capitalism in any protracted "war of position". However, as we come 'nearer' the roots of working class experience, especially in the areas of economics and industry, 'incorporation' becomes an increasingly difficult concept to apply to the working class.

## (2) Economic Incorporation

The second area in which incorporation of working class interests is alleged to occur is the economic - in particular, the development of corporatism. This term is a difficult one to define, but Winkler, after a review of the literature, states that:

"Corporatism is an economic system in which the state directs and controls predominantly privately owned business according to four principles: unity, order, nationalism and success."<sup>37</sup>

Having distinguished facilitative, supportive and directive roles which the State might play in the economy, Winkler maintains that under corporatism its role is essentially directive. In addition, unity and co-operative effort are preferred to competition as collaboration is seen as the key to social survival; order and stability are created through State intervention in the economy to oblige collaboration; the main focus of economic activity is the nation (and ostensibly not class),

with protectionism as the central means to national performance; and success in such performance overrides maintenance of legal and social rights.

Winkler makes the rather over-confident (and in the light of events wrong) prediction that: " ... a corporatist economic system is the most likely development for the United Kingdom over the next five to ten years".<sup>38</sup> Despite this, the trends which he observes in the economy do merit attention. It is certainly true, as he says, that there has been a trend towards State planning in the British economy since the early 1960s.<sup>39</sup> The Conservatives set up the tripartite National Economic Development Council in 1962, which was followed in 1964-70 by the Labour Government's National Plan, Industrial Re-organization Corporation and prices and incomes policies, amongst other measures. The subsequent Conservative Government during its 'Selsdon Man' phase introduced the Industrial Relations Act (1971), and then later its own prices and incomes policy amongst a battery of other instruments for State intervention in the economy. In 1974, all three major parties proposed some form of economic regulation by the State in some way or another. However, the 1974-9 Labour Government was the high point of corporatism according to Winkler (writing in 1976), especially the 'Social Contract' which was designed to give union support for a wages policy in exchange for a series of pro-union measures.<sup>40</sup>

For Winkler, such a 'corporatist' response in Britain is the result of economic crisis, industrial concentration, declining profit levels, technological developments and sharpening international

competition. Although aware of alternative approaches - minor adjustments to the status quo, socialist appropriation and restoration of a "free market" economy, Winkler extrapolates the trend towards 'corporatism'. Working class economic interests - especially the annual pay round - would be subsumed under some form of harmonistic, corporate control. The idea seems to be that workers would enter an 'economic citizenship' through acceptance of, presumably, the TUC's deliberations with Government and the employers.<sup>41</sup>

Two major questions arise at once. First, is Winkler correct in conceptualising the growth of State intervention in the economy as corporatism? And secondly, even if so, what likelihood has the trend of continuing?

Marsh and Grant, in a powerful critique of the corporatist theory, make a distinction between a 'strong' form of liberal corporatism (Winkler's) and a 'weak' form, which they term 'tripartism'. Tripartism "emphasises the relationship between government and the peak organizations" (the CBI and the TUC).<sup>42</sup> They claim, very plausibly, that four conditions must operate before tripartism - let alone corporatism - can take root:

- (1) the Government, CBI and TUC must agree common economic and industrial policies;
- (2) this policy must be underpinned by consensus: "in particular, the parties involved would be willing to set aside any fundamental disagreements about ultimate goals in order to arrive at agreed solutions to specific problems";

- (3) leaderships would have to be willing to persuade their members to comply with agreed policies - without this, their chance of successful implementation is slight;
- (4) each of the three must have similar influence on policy development - if not, its obligations to the other two vanishes.<sup>43</sup>

Concentrating on the period 1964-76, the authors discover that none of these four conditions operated. Though relations had sometimes been good between Government, CBI and TUC, harmony had never persisted:

"One of the problems is that however good bilateral relations between the government and the CBI and the government and the TUC have been, there has rarely been a good working relationship between the CBI and the TUC."<sup>44</sup>

There is simply no consensus on long-term goals as a basis for continuing co-operation. In addition, the CBI and the TUC lack executive control over their membership; and in neither case anyhow does their membership represent a high density respectively of the country's employers and employees. So although both 'peak organizations' usually enjoy good access to Government, each is best considered as a coalition of varying interests. Finally, the influence of neither organization with governments remains steady. Even during the Social Contract, for instance, the TUC was unable to influence the Labour Government on import controls or on the restriction of public expenditure cuts. This, in general, is because:

"Governments have to take much more than the views of the CBI and TUC into account when formulating economic policies, not least some estimate of likely electoral consequences

(especially when the government has a slim Parliamentary majority)."45

Historically, then, the authors conclude that State intervention in industry does not amount to corporatism.<sup>46</sup>

So, given this analysis - which we accept - what chance does corporatism, or even tripartism have of developing in the UK? Rather low, we shall suggest, because such theorists leave certain factors out of account or else underestimate their importance.

In the first place, Winkler underestimates the potential that the dominant class still possesses in times of recession for the suppression of working class interests. Given political hegemony, it is able - through appeal to the 'national interest' - to cut relative living standards with comparative ease:

"One of the penalties which the subordinate classes pay for their subordination - indeed what almost defines them as subordinate classes - is that their demands can be made to appear in this light, as injurious to the 'national interest', especially when members of these classes take it into their heads to press their demands with a vigour which is necessarily and by definition disruptive."<47

Winkler does remark that "another Selsdon phase" is possible if a certain section of Conservative leadership were elected to power during economic "expansion" (sic) and growth in oil revenues.<sup>48</sup> However, this line of argument is not pursued, and Winkler fails to show how such a popularly elected government, mobilising terms like 'national survival', could engage with little resistance on widescale spending cuts, relative increases in defence expenditure and monetarist policies.<sup>49</sup> When we come to investigate industrial relations,



we shall discover again that suppression of working class interests is the iron fist in the velvet glove of incorporation.

But the other, major problem for Winkler - which he acknowledges but does not sufficiently stress - is that different levels of the trade union movement can be incorporated in varying degrees:

"It is here that resistance is most likely to emerge. Any British corporatist regime would almost certainly not attempt to break the union movement, in Nazi style, but rather to co-opt it into corporatist institutions. Union officialdom may acquiesce if it is offered a sufficiently significant role in the planning system to replace a lost collective bargaining role. The rank and file will probably be the principal source of opposition. Their incorporation will depend on (a) the attractiveness of the controlled-wages-plus-welfare package they will be offered; (b) how grim the alternatives, unemployment and inflation, look at the time; (c) the willingness of the government to coerce; and (d) the realism of any socialist alternative."<sup>50</sup>

The point is that any such incorporation would at best be pragmatic, and would not involve active consent as political incorporation does. The alternatives are either a carrot (a), or two sticks (b) and (c), or a phantom (d). Winkler is here making a crucial distinction between sections of the working class. Labour leaders in Parliament, union officialdom, the shop stewards' movement, and the rank-and-file are all organized differently and have differing ideologies and interests within the hegemonic political domination of the dominant class. It is quite impossible to discuss baldly the incorporation of working class interests without discussing these different levels. Indeed, it is a common mistake made by incorporation theorists to generalise too easily about the object of incorporation. Cousins and Davis, for instance, having looked at the concept of 'labour aristocracy' as an explanation for the failure of working class revolutionary exertions,

note that:

" ... another argument has been advanced, derived in one version from the New Left out of Gramsci, and in another version seemingly influenced by phenomenological sociology: the working class is ineffective because it has been 'incorporated' ... The second argument is quite unlike the first since it openly admits and indeed depends upon the unity of the working class at some (unspecified) cultural level. The working class has been 'incorporated' but swallowed whole and perfectly intact."<sup>51</sup>

Such a view of incorporation is naive. The working class is not a "whole" as it has sectional interests which may be incorporated differently - indeed, the concept of contradictory consciousness tells us that the same worker may hold consensual and conflictual attitudes at the same time. It is also more fruitful to work with the notion of interests rather than "cultural incorporation".

So our lengthy discussion of contradictory consciousness in Chapter Three has provided us with a powerful conceptual tool to come to grips with incorporation theory. Successful at national and local political levels through hegemonic domination; partially successful in economic terms through faltering tripartism; it is almost entirely unsuccessful in coping with working class interests in industry. Contradictory consciousness is the key to discovering why this is so.

### (3) Levels of Incorporation in Industry

We have now, in fact, by starting to look at industrial incorporation, approached the third set of questions which we posed at the beginning of this chapter: the levels at which incorporation takes place. In politics, it occurs at national and local levels through elections to Parliament and councils; in economics, it occurs at

national level through - occasionally - joint agreement of policy by Government, CBI and TUC; and we have now to analyse industrial relations, an analysis which will rely heavily on distinctions between levels.

(i) Value Integration

On the Left, one of the most common understandings of 'incorporation' is the value integration of individual trade union and political leaders. This is sometimes seen as their corruption. As Marx puts it:

"The leadership of the working class of England has wholly passed into the hands of the corrupted leaders of the trade unions and the professional agitators ...."<sup>52</sup>

It is, of course, perfectly true that individuals do change their values as the 'move up' the social ladder into positions of leadership.<sup>53</sup> An interesting view of this process is provided by Goffman in terms of 'frontstage' behaviour (when individuals are in the public eye) and 'backstage' behaviour (when they are out of the public eye):

"... persons of high rank tend to operate in small teams and tend to spend much of their day engaged in spoken performances, whereas working-class men tend to be members of large teams and tend to spend much of their day backstage or in unspoken performances. Thus the higher one's place in the status pyramid, the smaller the number of persons with whom one can be familiar, the less time one spends backstage, and the more likely it is that one will be required to be polite as well as decorous."<sup>54</sup>

It is less, then, that decorum and courtesy help someone to high position, but rather that they become likely to develop once he has attained that position.<sup>55</sup> Obviously, though, such a change in behaviour observed in a labour leader by former colleagues may well be interpreted

as a 'sell-out' to the bosses. This not to say, of course, that such leaders do not internalise dominant values but simply that the micro-sociological reasons for the change are usually ignored.

However, since we are concerned with the structural dimensions of industrial incorporation rather than the biographies of individuals, we turn now to the ideological dimension of incorporation.

(ii) Ideology

We have already shown that the working class is dominated through bourgeois hegemony. Patterns of property ownership, hierarchical reward and division of labour form the very basis of the sway of the dominant class. In Britain, the extension of 'citizenship' has helped to achieve this. In politics, however, Roth points out that there are two other alternatives available to the dominant class for coping with lower class demands. One is complete suppression as attempted by Imperial Russia; the other is what he terms "negative integration", as practised by Imperial Germany and by the Third, Fourth and - at least until 1981 - Fifth French Republics:

"... a political system permits a hostile mass movement to exist legally, but prevents it from gaining access to the centres of power ... A radical mass movement constitutes at least a potential source of instability, but if it can be legalised without sharing in governmental power it may contribute to the stability of the dominant system by leaving intact the latter's basic structure and by developing vested interests in its own legal status."<sup>56</sup>

In fact, though, such negative integration need not be political. It can also be industrial. The argument here is that the successful establishment of hegemony in British politics is counteracted by the negative integration of the trade unions at industrial level. The

Labour Movement certainly has its own radical ideology in both politics and industry, as embodied in Clause IV of the Labour Party and in similar clauses in other union rule books.<sup>57</sup> However, this radical ideology operates within the structural limitations of bourgeois hegemony and centres on the union movement; the negative integration lies in its inability ever to initiate policy or to control actively. Clegg, for instance, admits quite explicitly:

"The trade union is thus industry's opposition - an opposition which can never become a government."<sup>58</sup>

Despite its radical overtones, such a view is essentially reformist, operating well within the hegemonic structure of class domination. As Anderson puts it:

"A combination of structural and conjunctural factors in the nineteenth century produced a proletariat distinguished by an immovable corporate class consciousness and almost no hegemonic ideology. This paradox is the most important single fact about the English working class. If a hegemonic class can be defined as one which imposes its own ends and its own vision on society as a whole, a corporate class is conversely one which pursues its own ends within a social totality whose global determination lies outside it."<sup>59</sup>

Anderson's theory is that a premature bourgeois revolution in the 17th century led to the emergence of a premature working class movement whose struggles reached their height in the 1830s and 1840s before socialism became a resource available to them. Hence their corporate and non-hegemonic identity. The details of this approach have been strongly challenged by E. P. Thompson, who nevertheless admits:

"... we must, I think, recognise that once a certain climactic moment is passed, the opportunity for a certain kind of revolutionary movement passes irrevocably - not so much because of 'exhaustion' but because more limited,

reformist pressures, often from secure organisational bases, bring evident returns."<sup>60</sup>

Thompson's resigned tones do not deny Anderson's central point, that the British working class is conservatively corporate and rejects revolution.

Yet:

"... in Britain it took two hundred years of conflict to subdue the working people to the discipline of direct economic stimuli, and the subjugation has never been more than partial."<sup>61</sup>

Within corporate reformism, the "partiality" of this subjugation is what puts the contradiction into contradictory consciousness. Experience of conflict on the shop-floor - itself often produced by events outside the factory, such as a merger - not only prevents the total assimilation of the working class into industry, but also helps it to sustain its corporate class identity. The UCS work-in, for example, challenged the rights of owners to dispose freely of property even if, more usually, the experience of conflict tends simply to fuel the radical nature of working class corporate identity.<sup>62</sup>

However, this identity is itself fragmented both temporally and spatially. Trade union executives may become more or less militant over time,<sup>63</sup> and different parts of the country may be characterised by different reputations for militancy.<sup>64</sup> Most important, though, is that a wide spectrum of views can be identified within the ideology which sustains corporate class identity. The most reformist end of this spectrum is frequently called 'labourism':

"Labourism was the theory and practice of class collaboration; it was a tradition which in theory (always) and in practice (mostly) emphasised the unity of Capital and Labour, and the importance of conciliation and arbitration in industrial disputes."<sup>65</sup>

This is doubtlessly the dominant strand within corporate working class ideology as it exists in Britain:

"Labourism, as a theory and practice, is deeply rooted in the social structures and organizations of the British working class. It has the enormous force of a tradition established and practised over many decades. This side of economic and social catastrophe, it is likely to prove stubbornly resistant to change. Which is not to say that change cannot, or will not, come."<sup>66</sup>

As we have seen, Thompson notes that such practice does bring "evident returns" to the working class: material advantage on the one hand, and rules and procedures to protect marginal interests on the other. So how is change to come?

At the other end of the spectrum, still within the reformist tradition, is the radical (but not revolutionary) version. Barratt Brown, Coates and Topham, for instance, answer a plea for revolution<sup>67</sup> by rejecting it in the following terms:

"... the limits of reform have not yet been reached ... As they come into view, so the pressure for structural reform will mount, as it has been mounting for the past decade."<sup>68</sup>

Indeed, their commitment to non-violent reformist methods is also very strong:

"(The revolutionary) sees the capitalist state and society as a totality, with which we would agree; but sees its transformation in terms of its overturn, as it were from outside, in what he himself calls a cataclysm, while we see the possibility of the disintegration of its baneful power structure by encroaching control from within."<sup>69</sup>

And still more forcibly:

"If Western European capitalism really could not be overthrown without liquidating all the positive gains of bourgeois democracy, it would be better even for its most exploited victims to allow it to continue ..."<sup>70</sup>

As a result, then, whilst we may accurately call the dominant counter-ideology amongst the British Labour movement 'reformist', we must be careful to distinguish the range of reformist views available within it. This is especially crucial when we turn to the issue of 'industrial democracy'. Traditional labourism may be class collaborationist, but at the other end, broadly in line with the Institute for Workers' Control and the Tribune wing of the Labour Party, lies the view that the revolutionary transformation of capitalism can be achieved through democratic reformism.<sup>71</sup>

However, the common quality of both these extremes of the ideological spectrum is their - to use Roth's term - "negative integration". Whilst the working class is largely assimilated into bourgeois hegemony in political terms through Parliament, elections and so on, a hostile counter-ideology is allowed to exist with its base predominantly in industry. As we have seen, workers' lives are rooted in conflict on the shop-floor, and as we shall see, in one circumstance or another, they all draw on the conflictual elements of labour ideology to rationalise their behaviour. This ideology is legal - indeed, the liberal pluralist perspective is founded on its legality - but it is not permitted in any way to impinge on the running or government of industry beyond certain issues at the margins of power. That is, whilst trade unions bargain over the effort/reward relationship, manning levels, discipline and so on, many technical functions in industry,



crucial for the continuance of neo-capitalism, are still exclusively within the remit of managerial prerogative: mergers, takeovers, investment strategy, marketing and so on. Trade unions, therefore, contribute to the stability and smooth running of industry whilst leaving its fundamentals intact. Indeed, they develop their own vested interests over time, for instance, in their legal status and their role in economic planning. In such a way, their influence is contained. Roth's concept of "negative integration" which he uses to analyse German politics, therefore, serves us well in analysing British industrial relations. No wonder, then, that Anderson states:

"All mature socialist theory since Lenin has started by stressing the insurmountable limitations of trade union action in a capitalist society."<sup>72</sup>

Unions, negatively integrated, are a component of neo-capitalism, as bargainers, not transformers.<sup>73</sup>

So far, then, in reference to 'levels' of incorporation we can speak of working class political incorporation through hegemony and the negative integration of reformist labour ideology, with the wide range of attitudes that this embraces. To complete discussion of 'levels' in relation to industry, we must now look at working class experience on the shop-floor. Has working class behaviour been incorporated? And if not, then why not?

In the next chapter we analyse first the determinants of shop-floor behaviour, and then the way in which social actors structure rationales to account for their own behaviour. As we shall see, the kinds of rationales available depend very much on the coherence of ideological resources available, the presence or absence of 'labourism' through trade union activity being particularly important.

## CHAPTER FIVE

In the last chapter we discussed the incorporation of working class political interests through the operation of bourgeois hegemony. We also saw how working class interests are systematically excluded from power in industry through the negative integration of reformist labour ideology, though freedom to react to events is normally legitimated. In such a way conflict is kept manageable.

However, when it comes to shop-floor behaviour, conflict is often thought not to be manageable as we saw in Part I. Yet the paradox appears to be that many workers combine conflictual attitudes at work with consensual attitudes towards politics - a paradox which we have already analysed at length as contradictory consciousness. It is important to stress that this notion is no mere abstraction recognised only in sociological theory. For example, Jack Jones, former General Secretary of the TGWU, has pointed out that trade unions have lacked success in explaining their role in British society, as a result of which even working class opinion is fragmented about them. According to him, this fragmentation is "the main problem" facing the Labour movement:

"People may accept that a trade union is good for them, but at the same time condemn as irresponsible a group of workers taking trade union action elsewhere. They may see the necessity of militant strike action in their own circumstances, respect their own shop steward, yet regard shop stewards in general as trouble makers. They may recognise the necessity of collective strength in their own place of work, understand its role in offsetting potential tyranny of ownership and management power, and yet still be able to talk about 'the unions having too much power these days'!"<sup>1</sup>

These observations lead us to examine why it is that, despite their

own protests that "unions have too much power these days", workers nevertheless will often behave in a way considered by management as conflictual.

### The Determinants of Work-place Behaviour

Such conflictual behaviour ranges in extremes from absenteeism, bad timekeeping and labour turnover, to strikes, sabotage and riots.<sup>2</sup> A dramatic example will illustrate the point: although 77% Luton car workers in the 'Affluent Worker' study had a 'co-operative attitude towards management', a month after these findings' publication, "near-riot conditions developed" after the workers involved were subjected to a four-day week and a relative wage reduction despite record profits announced by the company. During the riot, the workers attempted to storm the main company offices.<sup>3</sup>

Of course, most conflictual behaviour is less extreme than this, but management has always been preoccupied with its control. As we saw in Chapter One, the impetus behind Taylor's work was to limit the work task to such an extent that no discretion - or room for hostile behaviour - was left to the worker at all. Yet even implementing this process can in itself create conflict,<sup>4</sup> and there have now been many studies of the determinants of shop-floor attitudes and behaviour.

Some writers, adopting a functionalist approach have made causal assumptions about the relationship of work-place technology or group organization and workers' orientations to work. Sayles, for instance, writing in 1958, states:

"Ideally, it should be possible to develop predictive tools that would permit the design of organizations for specific ... industrial relations characteristics. The millenium is nowhere in sight ... but our research should move us in this direction."<sup>5</sup>

Not all writers would adopt such a determinist outlook, of course, but factors which have been singled out for attention as influencing work-place behaviour include, in addition to those already cited in Chapter One (pp.21-2): age;<sup>6</sup> organizational size;<sup>7</sup> supervisory style;<sup>8</sup> and family commitments (which may affect absenteeism and the desire for overtime).<sup>9</sup>

Another group of researchers has emphasised the occupational group. Sykes, for example, has shown the importance of Chapel cohesion in allowing print workers to develop mutual support against the employer;<sup>10</sup> Cannon has illustrated the case of composers in the same way;<sup>11</sup> whilst Brown and Brannen have shown how the existence of trade groups amongst shipbuilders - each one facing varying degrees of labour market instability - has tended to prevent the emergence of class solidarity even within an area of traditional heavy industry: "Homogeneity at some levels is combined with diversity at others".<sup>12</sup>

However, undoubtedly the most well-known and controversial account of workers' attitudes and behaviour is the 'Affluent Worker' series carried out by Goldthorpe, et al.<sup>13</sup>

In a discussion on method, Goldthorpe explains that previously:

"Explanations (of behaviour) have been offered ... from the point of view of the functioning of the enterprise as a production (or 'socio-technical') system - and not from the point of view of the actors involved."<sup>14</sup>

This functional approach, with its stress on systems, is rejected in favour of:

"a 'social action' perspective. The starting point is ... with the ordering of wants and expectations relative to work, and with the meaning thus given to work, which result in men taking up and retaining assembly-line jobs. And the key explanatory notion to which we have then referred is not that of the enterprise as a production system, but that of the definition of work and of the work situation, dominant among the assemblers we studied; that is, as we have shown, a definition of work as an essentially instrumental activity - as a means to ends external to the work situation ...."<sup>15</sup>

The understanding of behaviour is, therefore, located squarely with the social actors themselves. Their own definitions and meanings of social situations are the key to the determinants of shop-floor behaviour. This approach is basically Weberian, and its importance in industrial relations is that it focuses attention away from managerial preoccupations towards workers themselves, towards their identities and concerns.

The studies provoked a series of criticisms which are grouped here under two headings: Marxist and social action. A review of both groups helps us to answer the fourth question posed earlier (p.97): how far can the process of incorporation affect shop-floor behaviour? And what theoretical significance emerges from our answer to such a question?

#### (1) Marxist Critiques of the 'Affluent Worker'

We have already noted Blackburn's description of what he called "an explosion of consciousness" at the car plant subject to Goldthorpe et al.'s investigations.<sup>16</sup> A riot it was, but "an explosion of

consciousness" it undoubtedly was not. Mann, in a discussion of Blackburn's comments, argues that such a riot is entirely compatible with underlying, conservative attitudes about the wrongness of strikes<sup>17</sup> - and indeed, the riot did not lead to a strike either then or during the other disputes which hit the plant in 1965-7.<sup>18</sup>

There are, however, two substantial critiques of the 'Affluent Worker' from the Marxist angle. The first is from Westergaard.<sup>19</sup> In it, he attacks not the evidence of the studies, but their interpretation. In contrast to the working class 'embourgeoisement' theories of the 1950s, Goldthorpe et al. discovered that affluent workers were home-oriented, isolated from their residential community and did not seek assimilation into middle-class values and culture. Their attitudes to work were instrumental, that is, they obtained little or no satisfaction from their jobs beyond their wages, the level of pay being the single most quoted reason for staying with their firm. Westergaard points out that this is not a new phenomenon. Indeed, for Marx, the 'cash nexus' was the chief, residual binding force of capitalist society. But at the same time, it is highly vulnerable: if workers' pay is threatened for whatever reason, then there is nothing else to bind them to their work. So Westergaard attempts to re-interpret some of the Luton data to show how 'social apathy' actually co-exists with 'social criticism':

- (i) 67% manual and 76% white collar workers agreed that  
'teamwork means success and is to everyone's  
advantage';<sup>20</sup>
- (ii) 55% manual and 74% white collar workers thought that  
trade unions should "keep separate" from the Labour

Party;<sup>21</sup>

- (iii) 43% manual and 72% white collar workers thought that trade unions had "too much" power.<sup>22</sup>

Yet at the same time:

- (iv) 40% manual workers felt that "unions should also try to get workers a say in management";<sup>23</sup>
- (v) 74% manual workers thought that the "firm could pay more";<sup>24</sup>
- (vi) 60% manual and 63% white collar workers agreed that big business had too much power;<sup>25</sup> and
- (vii) 72% manual and 59% white collar workers agreed that there was "one law for rich and another for poor".<sup>26</sup>

Goldthorpe et al. themselves admit that:

"Although, by all indications, these firms operate with some considerable amount of success, this they appear able to do without securing the 'integration' of their labour forces in other than a fairly minimal, economic sense."<sup>27</sup>

Workers, therefore, appear to show no effective or moral commitment to their firms. Westergaard's criticism is that not enough is made of this point:

"'Individualistic' aspirations are linked with a sense of social injustice and of exploitation characteristic of an unequal power situation."<sup>28</sup>

He claimed that the developing shop-floor organization of the 1950s and 1960s could generate a network of extra-local links between workers through which 'parochial' matters could become politicised.

We shall return to this point, in fact, when we come to analyse the significance of work-ins, co-operatives and alternative corporate plans in Chapter Eleven. In the meantime, we agree with Westergaard that the 'Affluent Worker' reports do not recognise properly or build on the contradictions apparent in their own findings. We have already noted Coates' point that the most aggressive sections of the trade union movement are often the best paid; 'instrumentality' is not necessarily foreign to class conscious workers (which is not, of course, to imply that 'instrumental' workers are class conscious).

Mackenzie, in another powerful critique, concentrates less on re-interpreting the evidence, and rather more on emphasising that the market and work situation of affluent workers still determine their objective class position:

" ... the analysis of the class structure of capitalist society requires an examination of structured inequality and life-chances - which ... typically depend upon position in the division of labour. To be sure ... community and family structure potentially reinforce various forms of social consciousness generated within differing types of work situation ... But the crucial fact remains that community and family structure are shaped by the industrial and therefore the occupational structure of a particular area or region."<sup>29</sup>

Affluence in itself does nothing to alter life chances or access to economic power in the market - job security, opportunities for career mobility, source or size of income and still less a redistribution of wealth. Nor does affluence alter the worker's role in the division of labour, which involves occupying a particular socio-technical environment in the factory and performing monotonous tasks.

Furthermore, in so far as workers' responses to these conditions



are not automatic but depend on prior expectations, then the 'affluent worker' is not typical in any case. The selection of Luton was made deliberately by Goldthorpe et al. to provide the best chances of success for the 'embourgeoisement' thesis; when the thesis failed to apply it was reasonable to assume that it would fail as well in less propitious cases. But for the same reasons, Mackenzie continues, the sample is "less than ideal" as a foundation for generalisations about narrow, instrumental orientations of workers' behaviour elsewhere:

"... it is not a portrayal that is grounded, as any study of class structure must be, in the material base, or division of labour, of the community or society concerned."<sup>30</sup>

Westergaard and Mackenzie, then, summarise two Marxist angles of a critique on the 'affluent worker'.

Another critique, developed by W. W. Daniel, operates within the terms of the social action perspective itself.

## (2) Social Action Critique

Daniel had already written on the work orientation of process-industry operators, who, he discovered, would often express apparently conflicting attitudes towards their jobs. On the one hand, they would claim that relations with management were good, and that work itself was rewarding - "they're not telling you to do something, they're asking you". Such attitudes dominated day to day behaviour. Yet on the other hand, operators complained about the wage/effort bargain and the low level of pay. Work was then portrayed as drudgery. Such attitudes dominated the negotiation of contracts with the employer. As one operator succinctly put it: "on the job, we work as a team - when it comes to money, we're on opposite sides. It's as simple as

that".<sup>31</sup>

This 'split' in work orientations led Daniel to criticise Goldthorpe et al. for the crudity of their methods in measuring those of the affluent workers.<sup>32</sup> Notice that this split is not between levels of consciousness, but within the same level - orientation to work on the shop-floor. Like Westergaard, Daniel points out some of the contradictory evidence in the studies - though he does not have recourse to structural class analysis to underpin it. For instance, he remarks that the fact that workers are satisfied with a job (as the best bargain in the circumstances) is not to say that they are satisfied in it (as the process operators are). Indeed, workers may keenly sense job dissatisfaction as a source of deprivation in their lives - a point recognised, but not exploited by Goldthorpe et al.<sup>33</sup> So, Daniel calls for a refining of work orientation typologies to take into account differing work contexts - choosing a job, actually performing it, pay bargaining and so on - in which the same worker can find himself. Daniel's argument is that Goldthorpe et al., in their questionnaires, asked workers why they stayed in a job but used the orientation thereby derived to explain all other contexts (sources of gratification, responses to supervision, relationships with fellow workers, and so on).<sup>34</sup> In the course of an increasingly acerbic interchange,<sup>35</sup> Daniel attempted to establish his point: in different work situations, the attitudes of the same workers could alter dramatically. Using case study material from process industry productivity bargaining exercises, Daniel maintained that "there was a complete reversal of priorities and attitudes when the context was the work situation as opposed to the negotiating situation".<sup>36</sup>

Without entering the full technicalities of the debate, it does seem clear that workers have a range of priorities, each one becoming salient in different contexts. No one consistent set of priorities serves as a basis for evaluating all occupational experiences. To focus attention solely on, say, reasons for staying with a firm, entails a possible misdirection of emphasis away from other work contexts. As we shall see, some work contexts are more permeated with reformist labour ideology than others; they are the ones which are more conflictual (though Daniel himself does not pursue the issue in this way).

A summary of our position so far reveals that while bourgeois hegemony ensures a basic acceptance amongst the working class of social inequalities, a reformist labour ideology permits the articulation of opposition to both the political and industrial structure - opposition which becomes most visible and apparent in work-place behaviour. Workers hold contradictory attitudes towards their work-place both at the same time (as Westergaard observes) and over time in different work contexts (as Daniel observes). These contradictions exist within an unequal class structure (Mackenzie) which still depends on the cash nexus as one - but certainly not the only - means of maintaining work discipline.

The approach we are left with could be called 'Marxist social action'. That is, it accepts Marxist class analysis whilst at the same time acknowledging the complexity of the ideological dimension which has accompanied the development of neo-capitalism. Such an approach seeks to clarify this ideological dimension through analysing

how workers' perceptions of the social structure are formed and how they result in 'contradictory consciousness'. Hyman sums up this position well, though without giving it a name:

"There is, in other words, a complex two-way process in which men's goals, ideas and beliefs influence and are influenced by the social structure. To do justice to its complexity, industrial sociologists must be attuned to this dynamic interaction between structure and consciousness. A static or a one-way analysis necessarily distorts social reality, and is therefore an inadequate basis for understanding industrial behaviour or predicting its development. The greatest potential for further progress in the sociology of industrial conflict (and the same is indeed true of sociology in general) must lie in the elaboration of a dialectical approach."<sup>37</sup>

Such a dialectical approach is, then, adopted here. But before we finish Part I, we must investigate the patterns of contradictory attitudes and behaviour which have emerged. We have now seen that the theoretical and empirical bases for contradictory consciousness are overwhelming. But is conflictual behaviour random? And if not, what account can we give of its patterns and regularities?

### Behavioural Rationales

It is, then, quite easy to pick out some of the contradictory elements in the thinking of the 'affluent worker'. During the 1970s a series of research projects - associated with Armstrong, Beynon and Nichols amongst others - centred on work-place behaviour and in the process have thrown light on some of these contradictions. The research has all been strongly empirical, with the authors' presence on the shop-floor recognised and accepted by all concerned. Their premise has been that:

"... the key problem is not how to divide and rule workers

the better but that they are ruled, and divided."<sup>38</sup>

Since we can now appreciate the truth of this assertion, we shall attempt to draw up a typology of these 'divisions'.

During a discussion of 'factory consciousness' at Fords, Beynon states:

"The stewards' critique of management can be presented in terms of two dimensions. The one structural, which places the action of management within the structure of the large capitalist corporation; the other moral, which involves a criticism of the action management take in the plant and a moral judgement of the managers as men."<sup>39</sup>

This is an important distinction because the stewards themselves drew a line between the 'system' - an impetus to reduce costs and raise output - in which Ford management found itself, and the individual managers who were frequently subject to considerable work pressure themselves. Yet between these structural and moral dimensions lay something else:

"Management may be pawns, they may be just doing their job, they may be nice blokes, but by challenging the moral rights of workers they make themselves morally culpable. It is by this means that the stewards come to activism. It is this which gives force to the ideology of trade unionism and the idea of trade union principles."<sup>40</sup>

So the plant becomes the site of limited class conflict:

"Management may be pawns, but in a car plant they're paid to be lethal pawns."<sup>41</sup>

Beynon himself unravels three strands within the shop stewards' critique. First, the structural one, which is a given; second, union activity as a limited response to achieve at least some reform at the

margins; and third, a moral understanding - sometimes even sympathy - towards the position of individual managers. In accounting for the particular 'balance' likely between these strands amongst stewards at Fords, Halewood, Beynon makes reference to a number of factors: the technology of assembly belt production; a particular, militant, Liverpudlian working class culture; a TGWU closed shop and aspects of TGWU organization, especially its shop-floor based branch structure; the mistakes of the Ford, Dagenham, shop stewards' committee in 1962; management style, and so on.<sup>42</sup> All these elements, as we shall see, provide workers with reference points, or rationales of a motivational sort with which to oppose management.

In other cases, where militancy is lacking, such rationales are lacking as well. Nichols and Armstrong, for instance, in a study of 'ChemCo' - a chemical complex in the South of England - state:

"ChemCo workers are internally divided. They lack solidarity, are isolated from one another, are stratified by a grading system, lack experience of active trade unionism, and certainly lack any radical political tradition."<sup>43</sup>

Reasons for their lack of radical political tradition are put forward elsewhere: the site employed a 'green' labour force; the workforce is separated from the national union which undertakes wages negotiations for them; union dues are collected through check-off, and not by a steward; the development of a shop stewards' committee was blocked; and because of the process nature of the industry, workers are particularly exposed to management ways of looking at things.<sup>44</sup>

The authors present a study of workers at ChemCo whose consciousness is characterised by "divided (and inconsistent) strains of thought",

and whose experience - both direct and indirect - is fragmented.<sup>45</sup> Many of the men hark back to hard times in the past, up North, where there was a "sense of community"; but now that things are better unions are less necessary and there is no reason to go on strike - "the modern generation has got it soft". Directors deserve their salaries and most of the workers accept the profit motive, and approve of shareholding. Still:

"There remain things they just cannot understand. More than this, though, if share prices jump, if there is a Government decision affecting the product, if a plant is closed, they do not expect to understand ... Confronted with the incredible, they reach for readily available clichés to render it credible. Out of a reality which is not their reality they seek to negotiate sense. 'They' - the 'they' who say this are in newspapers, on TV, in Parliament, in the works' magazine - ... this 'they' provides plenty of well trodden idea-ways along which the lost can wander."<sup>46</sup>

Unlike the Ford workers, those at ChemCo lack any rationales to interpret their own experience more coherently or satisfactorily away from these "well trodden idea-ways". With largely the same experiences as Ford workers, those at ChemCo make a very different sense of reality out of them: they have neither the structural critique nor the union activism, and rely on a guarded moral criticism of management, centring mainly on 'conditions'.

Management occupies its own office block, away from the production plants; it is dry and warm, unlike the shop-floor and this creates resentment, especially when management tries to impose its own ideas of 'normal chemical conditions' which in fact are often noisy and dangerous. Yet:

" ... what most ChemCo workers experience in such situations

is not ... the birth of a political consciousness but a non-understanding tempered by resignation. Like Ivan Denisovitch in his prison camp, so for them too 'there is no point in expecting someone who is warm to understand someone who is cold'."47

The moral critique becomes subordinate, then, to the hegemonic view of the factory: the normalcy and obviousness of capitalist structure. Such divisions are superbly summed up in a quotation - an answer made in response to one of the researchers:

"'You mean it's OK, big money controlling things?'  
'Yes, if they've got the know-how. I don't understand these economic crises and things. I mean, don't misunderstand me. I like the way the country's run: the democratic Conservative way. I don't believe in the communism/socialism state, not like some. It's true that the ordinary working man doesn't have much say, but he's happy. If he's got his mortgage and his car, he's OK. But I worry sometimes. Why haven't I got any money, all the hours of hard work I've done?'"48

Apathy, active assent, disapproval of socialism, partial approval of socialist criticism, apathy again - then bewilderment all follow in the same passage.

Nichols and Beynon took up many of these strands in another work on ChemCo, which placed it in the wider setting of capitalist society.<sup>49</sup> This time, they include foremen and managers in the interview schedules. The authors are careful to show that management ideology is not the hermetic set of beliefs that it is sometimes made out to be; managers are themselves employees of a firm and subject to the same hegemonic, structural pressures as shop-floor workers. The divisions in their work orientations occur between the structural level and their own moral natures. One manager, George, questioned about who is responsible for creating redundancies, exclaims:



"The thing is I don't think they (workers) think it's me. I don't think they think it's my boss. They think it's 'them'. But we're them. But it's not us. It's something above us. Something up there.'

As he finished this complex soliloquy he gazed up at the ceiling - and lifted up his arms. His sense of confusion is perfectly understandable."<sup>50</sup>

It is exactly this kind of human inclination which when identified by workers in managers makes them "nice blokes". However, the tension is resolved by managers' own rationales: the notions of managerial prerogative and responsibility at ideological level, and those of profit and efficiency at hegemonic level. Though employees, managers are more shielded from the unpleasant aspects of shop-floor production by status, higher salary and, as we saw, superior conditions. Yet, as with George, "their company-fashioned ideological armour is not completely bullet-proof either."<sup>51</sup>

Management's moral qualms are prevented from turning into the bewilderment experienced by ChemCo workers because of a supportive managerial ideology. The source of such qualms, however, is best understood in terms of Goffman's concept of role distance:

"Disdain for a situated role is a result of respect for another basis of identification."<sup>52</sup>

Managers, like everyone else, limit the extent to which they behave as stereo-typed managers; they have "manifold attachments and commitments"<sup>53</sup> to other social institutions, including those basic rituals which accord to any other human being - qua human being - the quality of being a moral agent in his or her own right.<sup>54</sup> This nagging human sympathy which underlies all face-to-face social interaction gives leverage to 'role distance' - and taken far enough, often enough, makes

a manager into a "nice bloke".

But, all in all, as Nichols and Beynon point out, given the images of contradiction, fantasy and hope shown on TV - the 'window on the world':

"Really it would be surprising if people didn't carry within themselves conflicting feelings and understandings."<sup>55</sup>

### A Typology of Behavioural Rationales

At this stage it becomes possible to draw up a simple typology of the kinds of 'rationales' available to workers and managers used to make sense of their "conflicting feelings and understandings" and to justify their behaviour at the work-place. These rationales refer to aspects of the social structure as analysed so far - to bourgeois hegemony, managerial ideologies and reformist labour ideology.

TABLE TWO

Rationales Available at the Work-place to:

Ideal Types	Working Class: Radical (e.g. Fords)	Working Class: Non-radical (e.g. ChemCo)	Line and Middle Management
Non-observable Aspect of Power	Hegemony  partially oppositional	Hegemony	Hegemony  supportive
Observable Aspect of Power	Labour Ideology (Union activism)	Little or no Labour Ideology	Managerial Ideology (Unitary/ Pluralist)
Mobilisation of 'Rationales' (Legitimation of conflictual behaviour)	Experience: conflictual, leads to factory consciousness	Experience: conflictual, leads to bewilderment	Experience: partially conflictual, leads to moral qualms (role distance)

For reasons that will soon become apparent, this is only a crude typology: 'levels' are not so easily definable in practice. Nevertheless, it focuses attention not only on theoretical levels of industrial ideology, activity and experience, but also on the way in which the constraints of incorporation, successfully implanted at the 'higher' levels, must contend with the experience of conflict at the lower. It also points out the crucial distinction between radical and non-radical workers in terms of the latter's lack of even labour ideology as a rationale with which to mobilise and order their experience on the shop-floor.

Some of these points are developed by Armstrong, Goodman and Hyman, though with different emphasis. Their analysis is based on a year's observation in three small engineering companies around Manchester. During the observation, they were struck by "the dynamism or impermanence of the network of shop-floor rules."<sup>56</sup> The negotiated order on the shop-floor regulating the practice of industrial relations - that is, the rules system - was continually changing at the margins as managers and workers coped with changing conditions - introduced either from outside, like new laws, or from inside on a daily basis, because of machine breakdowns, absences, the arrival of new foremen, and so on. Adjustments to the status quo - for example the effort/reward bargain, manning levels, holiday arrangements and job evaluation gradings - occurred in consequence. These were all issues of considerable importance on the shop-floor and on each there was something approaching a balance of power. The authors, who are well aware of the immense class inequalities implicit in the organization of industrial relations,<sup>57</sup> contend that this 'frontier of control' is negotiated

through articulating those (marginal) interests which can be most convincingly legitimised and hence mobilised in any given context (and given class inequalities). So the authors' aim is to discover in detail how 'legitimising principles' are mobilised by workers and management on the shop-floor to rationalise their own behaviour and undermine that of the other side. As we shall see, these principles bear a strong resemblance to what we have so far been calling 'rationales' of action. Explaining why they consider 'legitimation' to be a central concept in industrial relations, the authors maintain:

"... our focus is more on the question of which of their wide range of interests workers and managers actually pursue than on the issue of which would, in theory, be to their greatest ultimate advantage. In this connection it seems that power can most economically be deployed behind those interests which can most effectively be legitimised."<sup>58</sup>

Such legitimisation is achieved through manipulation of 'vocabularies of motives'. There is now an established literature<sup>59</sup> on the concept of a motive derived from Wittgenstein's observation: "An intention is embedded in its situation, in human customs and institutions".<sup>60</sup> Armstrong et al. make use of this family of insights via C. Wright Mills:

"As over against the inferential conception of motives as subjective 'springs' of action, motives may be considered as typical vocabularies having ascertainable functions in delimited societal situations. Human actors do vocalise and impute motives to themselves and to others."<sup>61</sup>

It is always necessary to know the context of an action before motive can be ascribed to an agent - without it the action remains puzzling.<sup>62</sup> The importance of this for industrial relations is that 'vocabularies of motives', by drawing on different contexts with their related worker or management ideologies, become highly fragmented on

the shop-floor. Given the mismatch between bourgeois hegemony and labour ideology on the workers' side, as well as the considerable differences between labour ideology and management ideologies - all of which is illustrated in Table Two - then the context or setting of workers' motives for action is liable to be the subject of confusion both from the part of management and from the part of workers themselves. The attribution of motives to workers, or by them, makes use of different levels of rationale which, because of their frequent mutual inconsistency, often conflict with one another.

Now, for Armstrong et al., a legitimising principle is an aspect of a vocabulary of motives:

"(The) concept of a 'vocabulary of motives' ... suggests that in any cultural setting there are certain acceptable motives for action (what we will call 'legitimising principles') which are, in turn, embedded in the characteristic world view (ideology) of that culture. Thus, in his 'mobilisation of bias' a shop steward must link his policies to acceptable motives already existing in the culture of his constituents ... The same considerations apply when he presents an argument to management."<sup>63</sup>

So it is the acceptability of a motive which makes it a legitimising principle to the other side. Not all workers' motives are legitimising principles. A steward may know that a worker wants to work in the storeroom to give him more time to do reading; but to legitimise the transfer to management he would have to present the case that, for example, the storeroom was currently undermanned.

What, then, makes a motive acceptable? The answer must involve its relation to a context in which the other side's interests are either promoted, or left intact, or else harmed but with recompense in

another area. All that is necessary here is to stress that this context is defined by management.

Armstrong et al. define three types of 'legitimising principle'. First, there are those announced explicitly, having general application; for instance, the maintenance of differentials is justified as a reward for long training. Second, there are those based on management ideology; 'management prerogative' becomes "a shorthand expression" to justify managerial control in the face of union encroachments, or a term like 'restrictive practices' denounces as illegitimate forms of behaviour which by implication damage output or efficiency. And third, there are appeals to "self-evident common sense".

"Of course' the supervisor should be paid more than those he supervises. 'Of course' the workers are found other work when the machines stop. Here the investigation of legitimising concepts takes an ethnomethodological turn as one is looking at the ideas which people use to construct their taken-for-granted reality."<sup>64</sup>

This ethnomethodological slant on legitimising principles is crucial. Once again, we refer back to the non-observable aspect of power, hegemony. If elementary forms of the social structure - labour as a commodity, hierarchical reward and so on - form the assumptions of taken-for-granted reality in factory conversation, consultation and negotiation, then those inequalities implicit in the social structure disappear as issues:

"Talk is 'a constituent feature of the same setting that it is used to talk about'. It is available for a member as a resource, for his use, as well as being something that while using and counting on he also glosses."<sup>65</sup>

This reflexivity of assumptions - with respect to industrial relations - is what makes the typology of 'rationales' in Table Two

rather crude. The typology looks as though it reflects 'social reality'. In fact, of course, it also creates and accomplishes that reality.<sup>66</sup> We cannot pursue this line of argument here, but it should just be pointed out that 'legitimising principles' - through their relation to hegemonic assumptions - contain heavy biases in management's favour.

The main point about incorporation is that though least successful where there is a counter, labour ideology, the very worst management normally faces is a factory conscious work-force. In such cases, with industrial action as a threat, an organized work-force can explicitly use precedent like custom and practice, and 'fairness', as principles with which to defend conditions and even to encroach on managerial prerogative at the margins. The limits to these encroachments form a major theme in Part IV, but here we should add that even the principle of fairness tends to be applied by the shop-floor less to the relationship between manager and worker than to the relationship between worker and worker. The fact of management hierarchy is not thereby challenged.<sup>67</sup>

Sometimes workers, in non-radical environments, are able to turn management ideology on its head to legitimise an issue for themselves. This is one way to make sense of conflictual experience on the shop-floor when labour ideology is lacking. For instance, incentive schemes can be justified by showing how they increase production and profits; or else, payment for extra administrative duties can be claimed by reference to the principle of 'hierarchical reward'. The effect of this, of course, strengthens the long-term legitimacy of such management ideology even though it brings short-term benefit to workers.

Finally, there may simply not exist legitimising principles available to workers to contest, say, certain technical functions of management (like merger or take-over policy, investment strategy and so on). At its most insidious, then, the power of capital is exerted through there being no principle popularly available to workers to counter its hegemonic interests (especially over the disposal of property).

"At present there is not, in the culture of most workers, anything corresponding to the principle of managerial prerogative which could justify any demand for increased control."<sup>68</sup>

This asymmetry in rationales means that workers usually cannot legitimise workers' control even to themselves. Unlike management's, workers' legitimising principles tend to be fragmentary, having assimilated dominant hegemony as well as many aspects of managerial ideology itself.<sup>69</sup>

We have now returned full circle to the concept of contradictory consciousness, though we can now re-phrase it slightly: bourgeois hegemony restricts the range of legitimising principles available as rationales to the shop-floor in its dealings with management. This is because, although allowing the development and maintenance of a labour ideology within its ambit, bourgeois hegemony prevents the working class from achieving a full-scale, alternative interpretation of the reality which it actually experiences. The existence of class conflict is denied both through the legitimation of private property, hierarchical reward and so on, as well as through the day-to-day operation of managerial ideologies on the shop-floor. Yet class conflict is experienced on the shop-floor in all the ways we have



detailed, and workers themselves feel like pawns in a game of chess. The result is at most factory consciousness, and at least apathy and frustration.

In Part IV, we attempt to show how the boundaries of this conflictual experience may be gradually edged outwards into a more general questioning of the role of industry in society. But first, still within those boundaries, we analyse in Part III how industrial democracy has been used as the 'frontier of control' between management and workers since 1945 - with the incorporation of work-place behaviour as management's main objective.

### P A R T   T H R E E

"The basic issue is not the right of co-determination or of representation in itself. We are in reality facing one of the central problems of modern industry: how to strengthen the feeling of cohesiveness between the management of a company and its employees."

Dr. Sjur Lindebraekke, quoted by F. E. Emery and Einar Thorsrud, Form and Content in Industrial Democracy (London: Tavistock, 1974), p.15.

CHAPTER SIX

"The difficulty of endowing our political words with unambiguous meanings is of course great because we (political scientists) share our vocabulary with political operators who have a vested interest in ambiguity."<sup>1</sup>

Faced by De Jouvenel's observation, what is to be done? If we coin new phrases then these too will presumably become debased through political usage, and if we bind ourselves to strict definitions the problem still remains how to discover which definitions to use. It might perhaps be tempting to surrender by making the confusion itself into a theoretical principle. Weldon, for instance, maintains that the meaning of political terms is:

"... to know how to use them correctly, that is, in such a way as to be generally intelligible in ordinary and technical discourse, and there is nothing more lurking behind them which you might discover if only you had some special qualification as a member of a philosophical C.I.D."<sup>2</sup>

The assumption that there is one "correct" use of political terminology is indeed misguided. One of the most interesting terms in this respect is 'industrial democracy'. Few terms are so ambiguous, a fact stressed by many writers.<sup>3</sup> There are so many different definitions put forward, so many schemes proposed, and so many postures adopted by so many interests that, as Eaton and Fletcher point out, it all results "in confusion in the mind of the onlooker". They continue:

"... under the smoke screen of industrial democracy there may be implied reforms ranging from minor improvements in consultation procedures (which do not in any way affect existing systems of property relations) to complete workers' self-management under a socialist economy which in effect transcends the current framework of power and property relations."<sup>4</sup>

Yet in such circumstances, pace Weldon, some philosophical - or sociological - detective work is clearly required. We can begin with the Eaton and Fletcher quotation. Straight away we notice the range of schemes included within the scope of the term: from "minor improvements in consultation" to "workers' self-management". Quite clearly, the former is primarily in management interests, the latter in workers' interests. Immediately we can see that one way of analysing the concept is to explore how it serves the interests of either side of industry at different levels. Indeed, it will be argued here that 'industrial democracy' serves as a rationale or legitimising principle available to management and labour in the practice of industrial relations. So Weldon is correct in stressing the use of political terms as a key element in their definition, but he is wrong to ignore that many different uses may exist of the same term, each one legitimate to its users - and most crucial, that each usage is structured, and not arbitrary. That is, consistencies will emerge within usages as features become identified with the protection of dominant interests. For example, management in its treatment of 'industrial democracy' always stresses employee (not union) representation and consultative channels below Board level, since these are most likely "to further the success of the enterprise".<sup>5</sup>

#### Approaches to 'Industrial Democracy'

But why should management be at all interested in 'industrial democracy' given their power within the enterprise? We have already hinted at the answer in Part I. Industrial relations 'problems' of the 1950s and 1960s were dealt with in the Donovan Report, and liberal

pluralist solutions advanced. Yet the solutions failed because they could not come to grips with countervailing behavioural rationales on the shop-floor itself. Despite the commissions, the regulations and the incomes policies, conflictual experience on the shop-floor was constantly present to fuel residual, anti-management behaviour. This is a conceptual as well as an empirical point. These circumstances have always existed in capitalist enterprises, and - basically - there are two 'responses' open to management:

"The direct control strategy involves maximising the separation of conception from execution of work tasks for the vast majority of workers, the centralisation of conceptual activities into few hands related to those with high management status, and the maintenance of managerial authority through close supervision and financial incentives: in short, the Taylorian ideal of scientific management.

The responsible autonomy strategy involves allowing individual workers or groups of workers a wide measure of discretion over the direction of their work tasks, and the maintenance of managerial authority by getting workers to identify with the competitive aims of the enterprise so that they will act 'responsibly' with a minimum of supervision."<sup>6</sup>

These responses correspond broadly - but not exclusively - to the 'unitary' and 'pluralist' managerial perspectives analysed in Chapter One. There are, of course, elements of both responses in all management styles: production methods in the most 'enlightened' factory organization create a tendency towards direct control, and minimal confidence in even the least 'enlightened' that workers will not, for instance, sabotage production creates a tendency towards responsible autonomy. Over time as well, the balance changes - as unemployment rises management finds it easier to impose direct control.<sup>7</sup> Conversely, however, whenever power at the margins tips against management, 'industrial democracy' becomes a rationale with which to extend

responsible autonomy and thereby integrate workers more neatly into the factory structure. Any development of such industrial democracy - especially participation schemes - on the shop-floor is designed to undermine the conflictual, labour ideology otherwise available to a work-force. This point is made by Roy, in reference to a participation scheme introduced at the Hormel Packinghouse in Minnesota; supported by the union, the scheme was designed to increase production and sharpen workers' acquisitive values:

"Such values, emphasised by both company and union in the protective and incentive provisions of the Hormel system, served only to stimulate superficial feelings of participation in the workers. Identifications were found to be shallowly rooted in dependency on company prosperity and appreciation for economic security. Identification with a labour eschatology, which might serve to integrate work and life, giving work meaning in its relation to a community of people and ideas, seems to have declined with the union's success in implementing the values dominant in our culture."<sup>8</sup>

This managerial orientation to industrial democracy has well been called "integrative" by Guest and Fatchett who list its three characteristics as "a method of increasing organizational efficiency", designed "to stimulate a consensual acceptance of (unitary) objectives", based on "direct and task-related" participation to increase work satisfaction and motivation.<sup>9</sup>

Organized labour, on the other hand, has a very different orientation which is usually intended to consolidate and extend control at the work-place. Such an approach Guest and Fatchett call "distributive", and sum it up as the view that "workers and their representatives have insufficient power ... (so) a broader distribution of control within organizations is called for"; conflict is assumed to

be endemic to capitalist enterprises and, in addition, any scheme not designed to increase workers' control will be opposed.<sup>10</sup> Indeed, the common elements in Labour Party and TUC policy on industrial democracy (in 1975), as summed up by Ferry, well illustrate this orientation: the unions are to form the sole agencies of worker representation in any scheme with no employee representation through works councils; the major thrust of industrial democracy is to be through the extension of collective bargaining; the role of the shop steward is to be strengthened; a stress on disclosure of company information with its context is made; and there is to be an erosion of managerial prerogative through worker representation on company boards.<sup>11</sup>

The main difference, at this stage, between the integrative and distributive approaches to industrial democracy concerns how and where the 'frontier of control' is to be drawn between management and work-force.

However, it should be clear that both approaches are quite compatible with the hegemony of the dominant classes: market competition, private property and the division of labour are all untouched (which is not to say, of course, that workers' control at the margins will be accepted by management). This point is well made by Schmiede:

"... the 'economic democracy' conception of industrial democracy - assumes that no basic structural changes need be made in the existing capitalist mode of production to secure for the wage-dependent population a degree of consultation broad enough for their interests to be realised.

By contrast the other version - which could be called the 'socialist' conception of industrial democracy - sees the interests of the working population as being secured only through an extensive self-determination of the masses

over social production and reproduction. Here the aim is not so much the social legitimation of what is held to be necessary domination, but rather its abolition."<sup>12</sup>

Both 'integrative' and 'distributive' approaches can be located within Schmiede's 'economic democracy' conception of industrial democracy. According to him, basic changes in the relations of production are necessary before 'socialist' industrial democracy is possible. Only then might workers control working arrangements (e.g. the ratio between mental and physical input in a job), the type of technology and productive processes possible (e.g. the degree of co-operation which could be introduced in a given setting), and the basic problems over what use production and growth can play in society.

The 'integrative' approach reinforces both bourgeois hegemony and managerial ideology. The 'distributive' approach, on the other hand, reinforces bourgeois hegemony - because it conditions workers to present demands within the existing inequalities of the economic structure - but also strengthens labour ideology because it whittles away at the margins of this economic structure. As a result, though, both can be seen in opposition to the 'socialist' conception of industrial democracy which is posited on the abolition of bourgeois hegemony itself. It is, then, crucial to grasp that there is a structural 'gap' between 'industrial democracy' from the point of view of labour ideology and from the point of view of those seeking to construct a 'socialist' hegemony. Vanek also highlights this gap when he makes a distinction between "capital-controlled or dehumanised systems" in which workers are still dominated by the objectives of capital "most often external to the collective" and "self-managed"



systems, in which workers determine their own economic interests.<sup>13</sup>  
 In other words, the labourist approach to industrial democracy does not form a smooth continuum with a socialist approach to industrial democracy. Coates and Topham make the following comment:

"For many work-people, the object of workers' control has already become much wider (than just humanising the factory): to speed the process of transition to socialist social relations under which assembly-line and machine-shop labour is progressively abolished, not simply made more 'interesting'. Every rational trade unionist will agree that we should try the limits of reform within the given order of industry, but it is also important that we should resist the temptation to formulate our ultimate ambitions so that they conform to those limits."<sup>14</sup>

The implied danger is that the "limits of reform" could well consolidate bourgeois hegemony. That is, by consolidating workers' control at the margins - especially on the shop-floor - it is possible that reform increases workers' security and sense of a stake in the social relationships of the enterprise as they are. We have, after all, already seen how reforms like the extension of the adult franchise consolidated bourgeois hegemony in the political sphere by allowing the working class apparent influence over the methods (i.e. elections) by which political choices are made. Such a concern lies behind Scargill's assertion:

"It is my firm belief that workers' control means in effect the castration of the trade union movement, means in effect a total collaboration as far as the working class is concerned, and certainly in practice, will result in compromise with society as it exists."<sup>15</sup>

For Scargill, the classless society can be achieved only through abolishing the profit motive; otherwise, even if workers were to control whole industries within the capitalist market structure they

would themselves become implicated in rationalisation, wage control and manipulative work organization. Only the common ownership of the means of production would transform society. Not all socialists accept such a view,<sup>16</sup> of course, and we shall consider this debate later on in Part IV. For the time being, though, we should state the salient points about the term 'industrial democracy':

- that it is a concept with diverse meanings and connotations which correspond to different types of rationales available to both management and work-force to consolidate and extend their power;

- and that from the work-force's angle, there is a structural dilemma in the implementation of industrial democracy - namely, that its extension through labourism could actually impede the development of socialist hegemony.

Part III presents a way of looking at industrial democracy which attempts to de-mystify its role in industrial relations. Using theoretical insights from Part II on contradictory consciousness, we can begin to see how definitions, programmes and schemes for industrial democracy form structured responses, within bourgeois hegemony, to promote or hinder management or worker interests as the case may be. At the margins of control we shall show that organized labour may encroach on managerial prerogative, but that the thrust of 'mainstream' industrial democracy is integrative.

Part IV is based partially on empirical case study material which will illustrate exactly how structural constraints operate on unions to prevent their gaining control over their working environment. Despite a strongly developed labour ideology and commitment, the non-

observable aspects of power - hegemonic domination - prevent unions from managing to articulate their members' interests in a way meaningful to them. However, we shall also examine those conditions in which socialist hegemony - albeit of a transitory nature - manages to assert itself: in work-ins, co-operatives and alternative corporate plans. Part IV, then, illuminates the relationships between labour ideology and socialist hegemony, and our conclusions will echo Friedman:

"... to treat worker resistance which is informed by 'narrow' trade union consciousness and circumscribed by the particular factory or firm within which those workers are employed as a secondary and primitive form of resistance because it is relatively ineffective for overthrowing capitalism, is to neglect an extremely powerful and growing force in the development of the capitalist mode of production."<sup>17</sup>

### Aspects of Industrial Democracy

#### (1) Job Restructuring

Undoubtedly, from the management angle, 'industrial democracy' is now most frequently equated with job-restructuring on the shop-floor, and usually at the same time with participation in decisions affecting work organization:

"Concern with the restructuring of an individual's work will surely be overshadowed - as evident in developments in other countries - by efforts to create autonomous, responsible work groups, within the context of worker participation and the democratisation of the shop-floor."<sup>18</sup>

In this quotation, Wild suggests that industrial democracy and participation are means of achieving "responsible work groups" - and hence the "restructuring of an individual's work". The notion of

work-restructuring can itself be broken down into discrete elements. Chichester-Clark, for instance, separates four such elements - job satisfaction, job enrichment, job enlargement and job rotation:

"... my concern in using the term job satisfaction is with the satisfaction to be derived from the content and organization of a particular job; job enrichment with extending the responsibility of the individual doing the particular job; job enlargement with increasing the variety of tasks to be performed; and job rotation with individuals moving between jobs."19

It should be noticed that these elements involve different degrees of participation from workers.<sup>20</sup> All of them could, in fact, be imposed from above by management: job rotation in particular can mean simply doing several boring jobs instead of just one. However, there is now a long-established literature asserting that participation in the decisions relating to work organization - and not simply the imposition of new forms of work organization from above - is what leads to work satisfaction.<sup>21</sup> Indeed, the famous Mayo experiments of the 1920s and 1930s have also been re-interpreted along these lines.<sup>22</sup>

But there is, of course, a second aim behind these management pressures besides mere concern for the quality of working life. As Cherns puts it:

"The other objective has been the increased efficiency of work organizations. Usually the two objectives have been reconciled by the tacit assumptions that better quality of working life means better jobs; that better jobs mean greater job satisfaction; that greater job satisfaction means better job performance, and that better job performance means improved functioning of the organization."23

This thread runs through all management writing on the subject.

For instance, D. Wallace Bell states baldly:

"... many managers believe - and there is plenty of evidence for this - that effective participation is basically good business. Labour turnover and absenteeism are likely to decrease; productivity to increase."<sup>24</sup>

And then, not only is efficiency increased but also resistance to change can be overcome. An OECD Report states equally baldly that management will ensure a greater contribution from workers towards company goals "only by giving employees the opportunity to discuss changes or even to participate in the decision-making process itself."<sup>25</sup>

These objectives are clearly integrative in the sense in which we have defined the term above. The unions - and the Left in general - tend to be at least suspicious of this form of participation and at most openly hostile; the view is often that the 'crisis of capitalism' has led it to intensify exploitation of workers through making a fuller use of their psychological reserves, and that the whole approach has "become an important ideological weapon for the monopolies in their offensive against the Labour movement."<sup>26</sup> It is true that participation through job satisfaction schemes does ignore the union movement.

## (2) Joint Consultation

To an extent, so too does the second main meaning given by management to industrial democracy: joint consultation. The aim here is also often integrative, but whilst job re-structuring is a method involving workers directly, joint consultation is an indirect method: employees' representatives are elected on to a committee - often called a Works Council - to discuss issues outside the

negotiating agenda.<sup>27</sup> Although even by 1968 the British Institute of Management felt able to declare that the hopes placed in joint consultation had "not been fulfilled",<sup>28</sup> one major survey in 1972 could maintain that:

"(though) provisions for formal joint consultation have declined since (the late 1940s) ... consultative bodies are still numerous."<sup>29</sup>

Whilst we examine the history of joint consultation in the next chapter, it is clear that many managers still view it as a viable form of industrial democracy.<sup>30</sup> The framework of such committees is defined very much on management terms. One writer, for instance, the founder and chairman of the Walpole Group of Companies, wrote in 1944 that there were three principles which he "believed to be essential to the successful operation of joint consultation". They were:

- " - Readiness to tell employees all that can properly be told about the business of which they are members.
- Recognition of a paramount common interest shared by Management and Employees.
- Absolute good faith on both sides."<sup>31</sup>

Communications, assumptions of a common interest and "good faith" are key elements of unitary managerial ideology as discussed in Chapter One. Furthermore, the limited powers of joint consultation committees - which may or may not operate in conjunction with trade unions - can be appreciated from the "Constitution of a Works Council" published by the Industrial Welfare Society as an illustration of the kinds of rule which could be adopted. Its advisory functions would concern "matters of mutual interest", that is, working conditions (such as washing facilities, heating and lighting), suggestions to improve work organization, accident prevention, works discipline, health services, canteen

facilities, education and training, transport, holiday arrangements, recreation and so on. A section on "limitation of functions"

declares:

"The works council shall not discuss any question which is covered by an operative agreement between the company and any trade union, except by written consent of the trade union concerned: nor shall it discuss wage rates and related subjects."<sup>32</sup>

The trade unions have, of course, also supported joint consultation - as we see in the next chapter. Lord Citrine, for example, argued that joint consultation was the "natural development of trade unionism".<sup>33</sup> Still, such a view is not the dominant one within the Labour movement, which has instead always concentrated on collective bargaining.

### (3) Collective Bargaining

Whilst with consultation the ultimate decision-making power resides with management, negotiation involves notional equality between the two sides in both influence, responsibility and use of sanction in the case of deadlock. T. L. Johnston points out that there are two ways of seeing the relationship between joint consultation on the one hand and collective bargaining on the other. The first, the "separatist" view, we have already analysed: it considers that consultation is to do with common interests - improving understanding and creating responsible relationships between employer and employee. Collective bargaining is to deal with conflictual issues, in particular pay and conditions. The second, the "continuum" view, refuses to accept such a rigid distinction. Consultation merges into negotiation because many issues defined by management as common turn out, when considered by the union,

to be conflictual - an improvement in work organization, for instance, will have an impact on wages and conditions, which are both negotiable issues.<sup>34</sup>

The existence of a "continuum" rather than "separatist" approach would seem to depend on the level of unionisation in the plant.<sup>35</sup> Collective bargaining is the central method utilised by the trade unions for gaining influence at most levels of industry, and there is a tendency for them to try to convert consultative procedures into negotiating ones. Indeed, a number of influential Fabian writers have identified collective bargaining with industrial democracy itself. This was the intention of the Webbs in their book on the subject,<sup>36</sup> and also that of Clegg:

"... industrial democracy consists, in part, of the opposition of the trade unions to the employer, and, in part, of the attempt of the employer to build his employees into a team working together towards a common purpose ..."<sup>37</sup>

This particular approach, subject to a critique by Blumberg,<sup>38</sup> still forms the basis of many Labour writers' analysis of industrial democracy in that they identify it with an extension of collective bargaining. One clear example is:

"The scope and subject matter of collective bargaining should be extended so that all the elements of management (dismissals, discipline, introduction of new machinery, forward planning of manpower, rationalisation and so forth) are within the sphere of negotiations at plant and national level."<sup>39</sup>

Another one is:

"(Collective bargaining must be extended) until it includes all facets of working life - from discipline and redundancy to manning and the introduction of new machinery. Collective bargaining would begin to become much more a matter of



formulating joint rules, and would thus involve the development of a continuous system of joint regulation and joint determination. The area of unilateral management action would therefore be sharply reduced."<sup>40</sup>

Unions defend collective bargaining because it guarantees their independence from management. This helps to explain their suspicions towards other forms of industrial democracy - especially participation schemes which they often fear may 'suck' them into the structure of company decision-making.<sup>41</sup> Some unions, as we see in the next two chapters, will have nothing whatever to do with any form of industrial democracy not squarely based on collective bargaining for this same reason.

Yet there are two limitations to this view. First of all, collective bargaining is not based purely on a conflict model of industrial relations. At its very roots - as we saw in Chapter Two - it has a collaborative aspect. Collective bargaining has evolved a system of jointly agreed and protected procedures for resolving conflict. Indeed, as Wedderburn puts it:

"... collective bargaining based on conflict of interests in one respect also involves compromise, collaboration, and, indeed, trade union responsibility for the bargain struck - a responsibility which, the foreign observer is quick to note, despite the absence of legal obligations, is in fact in Britain very strongly observed."<sup>42</sup>

Only those who hold aloof from any contact with management - perhaps the anarcho-syndicalists - could claim to be free of responsibility for joint decisions in industry.

But there is a second limitation to this stress on collective bargaining. Not only is there an unevenness of its presence in

industry - depending on unionisation<sup>43</sup> - but it is also totally absent at company level in certain areas. It is true that a shop stewards' combine committee might be able to negotiate at company level on, say, pensions. However, there are a series of areas - marketing and pricing policy, mergers, take-overs and investment strategy for instance - which are outside the collective bargaining reach of the unions. To quote Wedderburn again:

"... the mechanism of collective bargaining as we have known it for a century ... is not easily adjusted to the new task of joint regulation of strategic corporate decisions. One may say that in a sense there is a gap at company level in the collective bargaining system if in the next transition the desire is to be achieved for more democracy at the work-place."<sup>44</sup>

This observation leads us to the fourth, and in Britain, the most recent formulation of 'industrial democracy': worker directors at board level.

#### (4) Worker Directors

In the 1970s, and particularly following Britain's accession to the EEC in 1973, considerable attention was paid in the press and elsewhere to the various worker director schemes throughout Europe - especially in Germany, Holland and Scandinavia - as possible ways to ease industrial relations 'problems' in Britain.<sup>45</sup> However, two commentators sounded a cautionary note:

"Different systems of employee representation on the boards of companies have been developed under different historical, economic and social conditions. Comparisons between the different systems are consequently very difficult to make."<sup>46</sup>

Some systems have employee as opposed to union representation;

some, equal representation of workers and management with the presence of independents, others with just minority worker representation; some, one-tier, others, two-tier boards; some are mandatory in companies over a certain size, others voluntary - and so on.

Organized management opinion in Britain is very different from that in, say, West Germany. The fear is expressed that collective bargaining would 'creep' into the boardroom if workers were represented at that level. Pat Lowry, for example, Director of Industrial Relations at British Leyland from 1970 to 1977, states:

"Given the conflict-based nature of our employee relations, I certainly do not accept the conclusion of the Bullock majority that employee participation can only flourish at all levels if, as an initial step, a place is found for worker-directors on company boards."<sup>47</sup>

Instead, Lowry stresses shop-floor participation to 'build up' to board-level since conflict should be eradicated at the spot where it is bred - the shop-floor; since workers need to develop experience before being allowed on to the board; and since only worker representatives who have "proved themselves" at shop-floor level could retain credibility at higher levels.

Union and labour attitudes towards worker directors are, as we shall see, far more fragmented. Some sectors accepted the recommendations of the Bullock Report, others rejected it and yet others, accepting that collective bargaining was not an appropriate method to gain influence at board level, detailed conditions under which worker directors could be valuable - for instance, by mandating them on known issues; insisting on report-back over issues arising for the first time; full disclosure of company information, and so on.<sup>48</sup> However, historically,

the Labour Party and the Trades Union Congress officially opposed worker representation even on the boards of nationalised industries unless worker directors' links with the union movement were severed - as was the case in the 1967 'experiment' in the steel industry.<sup>49</sup>

#### (5) Industry and Government Levels

The fifth, and final form of influence we might refer to in passing as 'industrial democracy' is at industry level - for instance, the work of the Industrial Training Boards, the Economic Development Councils ('Little Neddies') and the Sector Working Parties established under Labour's Industrial Strategy (1974-79); and at national level - for instance, the National Economic Development Council, as well as QUANGOS dealing with industrial relations, such as the Health and Safety Executive, the Advisory, Conciliation and Arbitration Service, and so on.<sup>50</sup> However, we have already considered some of the issues raised by corporatist approaches to industrial relations in Chapter Four - and they fall outside our remit here as 'industrial democracy' because they rely on political initiative for their success or failure.<sup>51</sup>

#### A Theory of Industrial Democracy

Here then in broad terms are five common notions of 'industrial democracy': participation at shop-floor level, particularly in the redesign of jobs and introduction of technical change; joint consultation; collective bargaining and its extension; worker directors on the board; - and we might include industrial, regional and national representation of Labour's interests on a variety of government committees and QUANGOs through individual unions and the TUC.

This sifting out of definitions, however, still leaves us with a problem: what is it about them which makes them relate to 'industrial democracy'? How are we to develop our own theory of 'industrial democracy' for use in analysing those pressures towards it?

It will be argued here that industrial democracy expresses a relationship between management and workers, and that, in consequence, the terms defining that relationship must always be specified. Indeed, the theory advanced here suggests that there are always three terms which need specifying when referring to any arrangement in industry as 'industrial democracy'.

First of all, level. Any scheme takes place at one or more levels in industry at which decisions are taken - that is, department, plant, division, company and industry. Participation and joint consultation occur typically at departmental and plant level; collective bargaining at all levels (though infrequently at multi-plant company level); and worker directors operate at board level - company, or division and industry in the case for instance of British Steel.<sup>52</sup> Most writers distinguish such levels of industrial democracy,<sup>53</sup> which is especially important in discussions on workers' control because the influence of organized labour may vary considerably between levels. Strong shop steward presence in the plant may well be counteracted by unilateral management decision-making on the board. A campaign to oppose a closure, for instance, at one level may be totally ignored by management at another. As Hunt puts it:

"It is possible for work people to be free of interference by management at one level but in the normal

course of events, this will be the result of militant trade union action which, in the context of capitalism, will meet with opposition at higher levels."<sup>54</sup>

Secondly, within each level, there is a range of areas which may or may not be covered by industrial democracy. We have already noted those typically covered by plant-level joint consultation (p.156). But at the same level, are shop stewards able to bargain over manning or redundancies, as well as the bonus system, for example? And at company level, would worker directors find themselves rubber-stamping decisions already taken elsewhere by general management? At each level, a spectrum of subjects may be influenced by workers or their representatives - and the 'cut-off' lines along the spectrum are themselves a matter for discussion and bargaining. Clarke et al. identify in general terms four areas for management decision: wages and redundancy, work methods, work discipline and finance.<sup>55</sup> Each one illustrates an area of management prerogative which could be progressively eroded by the unions.

Finally, within each area, there is a degree of influence obtained or obtainable by labour. Globerson expresses the point well, though he uses a terminology different from ours:

"... a participative situation should be analysed through a two-variable approach: spheres that express participation, and levels that indicate the degree or depth of participation in each sphere."<sup>56</sup>

We are putting forward a three-, not a two-dimensional approach, since Globerson omits what we have here called 'levels' of industrial democracy. But the nub of his point, that there are degrees or depths of participation within what we have called areas, is well taken. For

instance, within the area of 'decision-making', Globerson lists degrees of influence, from minimum to maximum, as follows: provision of general information to workers by management; joint consultation; passive participation in management; active participation in management; self-management. And this formulation provides us with a further insight - that degrees of influence depend largely on the methods adopted by labour. That is, at each level and for each area, greater degrees of influence are obtained through some methods or procedures than others. In Britain, unions prefer collective bargaining to joint consultation. However, self-management would provide still greater control, other things being equal. Pateman, in this context, makes a distinction between pseudo-participation (in which a feeling of participation is created); partial participation (in which workers can only influence decisions); and full participation (in which every individual has equal power to determine the result of decision-making).<sup>57</sup> Similarly, Guest and Fatchett refer to "forms of control"<sup>58</sup> and Clarke et al. to "the forms of participation within the enterprise". The latter develop this point by showing how "organizational variables" - unionisation, company size, technology, ownership, and management styles - as well as "environmental influences" - the class structure, the educational system and attitudes towards authority - are all linked to the degree of control workers are able to exert at their work-place.<sup>59</sup>

This, then, is a three-dimensional approach to 'industrial democracy' within neo-capitalist societies. It is broadly similar - though with different emphases - to the one presented by the Labour Party in a discussion document entitled Industrial Democracy. That states:

"The forms in which the workers make their influence felt in industry now are impressively varied, e.g.:

Level	Area of Influence	Form
National and Local	Political (no limits) (sic)	Trade Unions through Labour Party. TUC direct to government.
National	Economic	N.E.D.C.
National	Welfare	Many committees of, e.g. Ministry of Pensions, Labour, etc.
Industrial	Economic	Little Neddies; Industrial Training Boards; J.I.Cs. etc. National negotiating machinery and procedure for settling disputes.
Regional	Economic and Social	Planning Councils
Local	Economic and Social	Employment Committees, Youth Employment Committees.
Firm	Economic	Trade Unions, shop steward organization, negotiating machinery - ad hoc negotiation. Consultative or advisory machinery." <sup>60</sup>

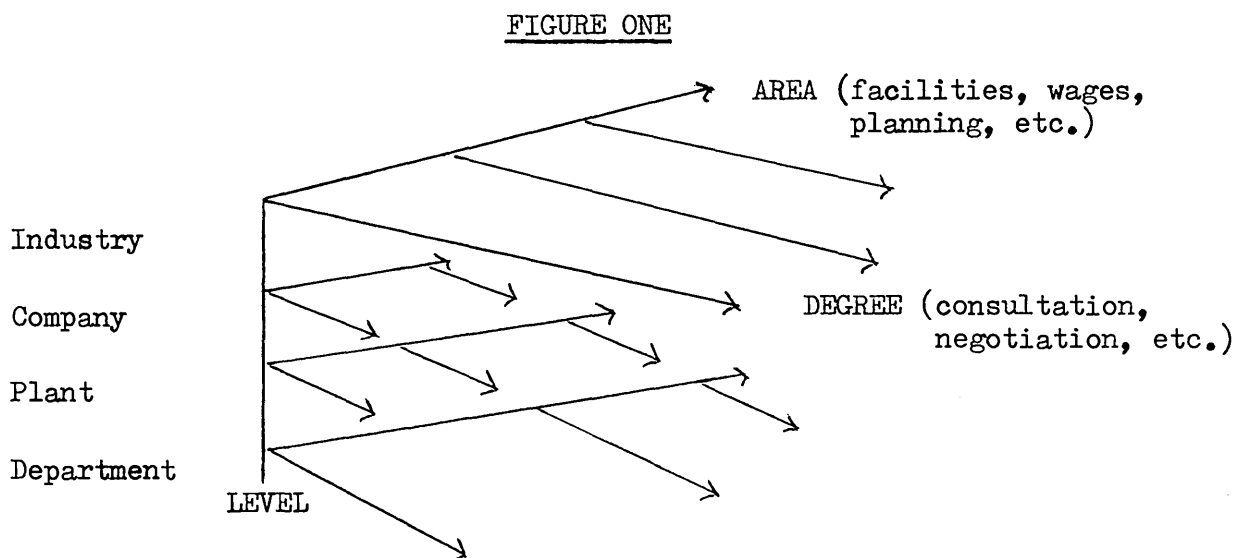
In this chapter we have expanded principally on the "level of the firm" as specified above. We have also elaborated on the notion of an "area of influence" and analysed the "form" - or degree - of industrial democracy, though without the strong political bias of the NEC document. It is, in principle, possible to slot any scheme for industrial democracy into this three-dimensional approach, once all three of its terms have been identified.



It should also be clear that the kernel of industrial democracy here is the ever-changing 'frontier of control' at the margins, as defined by the level, area and degree which together form the points of contact between management and work-force. Other writers have used the term 'participation' as the expression to define "the opportunity to influence and share consciously in the decision-making process."<sup>61</sup> It can now be appreciated, however, that 'participation' forms only one strand to 'industrial democracy' along with others such as collective bargaining, and workers' control.

So, here, 'industrial democracy' within a neo-capitalist context is taken to mean any scheme or process whereby management and workers mediate control at a given level of industrial activity, within a given area of influence, and with the intention there of securing a greater degree of control. Indeed, the to-ing and fro-ing of this frontier of control is what is meant by referring to industrial democracy as either integrative or distributive - according to the direction of the balance of marginal power, away from or towards workers.

We can represent the three-dimensional approach graphically by imagining the corner of a box:



The level of influence does partially determine, of course, the area. Canteen arrangements, for instance, are not an area for the board; investment planning is not normally an area for the plant. However, there may be a mismatch between level and degree of influence. We have already observed that unions feel that management-inspired participation schemes could undermine their independence and therefore their strength in collective bargaining. Likewise, British management fears that worker directors could lead to an extension of collective bargaining into the board-room; if they are to be there at all, management would like to ensure that they are advisory or at most consultative.

The box itself on the preceding page represents the hegemonic structure of neo-capitalism - that is, the ultimate constraints on workers' influence within the economic and social relationships of advanced Western societies. The box, then, sets the limits of the 'observable' aspects of power - the subjects which can be raised and the degrees of influence that can be exerted within those that are raised. The terms of any industrial democracy scheme alter the observable aspects of power between labour and capital at the margins. As we saw, if the scheme is integrative workers lose independent influence; if distributive, they gain it.

#### (1) Property Relations

At this stage, a few points should be made about the relationship between industrial democracy and property relations - in particular, the ownership of capital.

According to Marx, writing in 1847/8,

"... modern bourgeois private property is the final and most complete expression of the system of producing and appropriating products, that is based on class antagonisms, on the exploitation of the many by the few."<sup>62</sup>

However, this observation is far too simple, as is illustrated by the gradual development over the last century of advanced neo-capitalist societies characterised by joint-stock companies, welfare provisions and mixed economies. Within these societies, the patterns of capital ownership may vary considerably. As we saw earlier, Vanek makes a distinction between "self-managed" systems and "capital-controlled or dehumanised systems" of industrial democracy. Focusing on this second category he lists seven possible patterns of capital ownership under which "either conflicts of interest or the possibility of domination by capital can occur", all of them compatible with an overall neo-capitalist economic structure.<sup>63</sup> These seven patterns of capital ownership include ownership by the State, collectives of employees, individual employees, consumers, labour unions, suppliers and private individuals.<sup>64</sup> They all touch only what we have been calling the 'observable aspect of power', leaving intact the 'non-observable aspect'.

As theorists have realised, the question of industrial democracy concerns control, and not just pure ownership. Bell, for example, has pointed out that:

"In recent years there has arisen a sophistication which understands that the abolition of private property alone will not guarantee the end of exploitation."<sup>65</sup>

Nationalisation within a mixed economy has not led in Britain to the restructuring of industry, no doubt at least partially because

"workers' control was rejected, but workers' participation was provided instead."<sup>66</sup> Still more alarming is the fact that state ownership in Eastern Europe has not led to the emancipation of working life either. Miklós Haraszti, for example, has provided a graphic portrayal of the shop-floor in a Hungarian tractor factory. He attacks the piece-rate system and the profit motive for dehumanising work:

"In fact, (rate-fixers are) there to work out the method which will yield the biggest profit ... Anyone who works in a factory knows, without the need of statistics, that for those who work to norms, complex arguments about whether or not they own the means of production are nothing but empty talk."<sup>67</sup>

As Beynon observes in a review of Haraszti's book, the nub of the 'work problem' is not ownership in itself but the control of profits; he adds that a different purpose from the pursuit of profits should order production and suggests the slogan: 'the right to work - on our terms'.<sup>68</sup>

Indeed, more generally, many critiques of the Soviet-style model of society centre on the same issue: lack of workers' control and the continuance of the profit motive.<sup>69</sup> It is these factors operating independently of the different forms of capital ownership which account for the degradation of work.

Moving away from the examples of neo-capitalism and state ownership, this point has also been well expressed by E. R. Pease in relation to profit-sharing schemes. In a pamphlet published by the Labour Party in 1921 he evaluates the case for profit-sharing and concludes:

"Profit-sharing and co-partnership furnish no solution to the problems of the control of industry because they do not lead towards those fundamental changes in social structure for which the Labour Party is working. They assume that, in the future, as in the present, there will be an employing class, owners of capital, and an employed class, receivers of wages. We shall be satisfied with no tinkering reforms which involve the permanence of the vicious system of production for private profit, and that unequal distribution of wealth and of the opportunities for happiness which it necessarily produces."<sup>70</sup>

And so too do these observations apply to co-operative ownership. As we shall see in Chapter Eleven, the development of producer co-operatives within neo-capitalism has tended to mean that workers have had to carry out exactly the same kind of decision relating to production methods, wage rates, manning and so on that any conventional management would have done. Mandel makes the point succinctly:

"The fundamental principle underlying self-management, which is the liberation of labour, whereby workers dominate the process of production, decide for themselves the speed of the assembly line and the organization of work in the factory, and which is part and parcel of the sort of socialist society we are trying to build, is unrealisable in an economy which allows the survival of competition."<sup>71</sup>

Fox also acknowledges that the abolition of the private ownership of capital will not lead, in itself, to the "liberation of labour":

"Public ownership is the necessary but certainly not the sufficient condition for any change in the primary objectives and methods of work organizations."<sup>72</sup>

Nationalisation must involve the erosion of both the profit motive and competition as the twin principles underlying industrial production. So although the ownership question is an important one since nationalisation, profit-sharing and co-operative production all form planks in many strategies towards industrial democracy, for our

purposes control remains the central issue.

## (2) Changing Dimensions

Given the many different views on industrial democracy we can now see that all its different forms provide rationales with which management and workers legitimise their competing claims within industry. Conflict may take place over the implications and hence the desirability of a particular scheme, and it may take place over the interpretation or meaning of a particular scheme. Either way, interests are mediated through the observable aspect of power in industrial relations - the frontier of control.

Now, many writers have claimed that the late 1960s was the time when an upsurge of interest in industrial democracy took place. For example, according to Levinson:

"History will record, I believe, that 1968 was the year that industrial democracy advanced to the centre of the industrial relations stage."<sup>73</sup>

This is a confusing way of speaking. In fact, as the next chapter will show, industrial democracy has remained alive throughout the whole of our period (1945-80). What does change is the precise location of the term on our three-dimensional diagram (p.167).<sup>74</sup> In other words, emphasis changes: joint consultation in the 1940s and early 1950s; work-place collective bargaining from the mid-1950s; and (from the management side) job restructuring in the mid-1960s, and (from the union side) an extension of collective bargaining in the same period. In addition, there was limited interest in worker directors from sectors in the Labour movement in the 1970s. The question is then less: "why industrial democracy now?" than

"why the changes in emphasis?". The argument here will be that events within the economy alter the kinds of rationale available to labour and management with which control issues can be broached. For example, industrial rationalisation led to the growth of multi-plant bargaining and with it the recognition by some unions that there was an 'influence gap' at company level. Then, the British entry into the EEC in 1972 - with subsequent discussion of the Fifth Directive on company law reform - provided the context within which the Labour movement could tackle this 'gap' through worker directors. Industrial rationalisation on the one hand and the EEC on the other provided the backcloth against which attention could be re-focused on a new area of industrial democracy (new, that is, for Britain).

In this way, we provide the link between social structure (developments within neo-capitalism) and social action (the way in which human activity leads to outcomes, in this case, through industrial relations). This approach elaborates on Femia's model of Gramscian Marxism. He distinguishes two different Marxist models explaining the relationship between the economic substructure and forms of consciousness:

" ... (a) base determines the form of consciousness (classical, 'scientific' Marxism); and (b) base determines what forms of consciousness are possible. Gramsci fits into this latter category, which we might call 'open' Marxism. The economic base sets, in a strict manner, the range of possible outcomes, but free political and ideological activity is ultimately decisive in determining which alternative prevails. There is no automatic determination: only the creation of a more or less favourable atmosphere for the diffusion of a new ethos."<sup>75</sup>

Our intention here is first to illustrate the rather vague terminology of "more or less favourable atmosphere" and "the diffusion of a

new ethos" by investigating how management and workers have used 'industrial democracy' at different times in the pursuit of their own (usually sectional) interests. Like this, we shall also elaborate on the observation made by Armstrong et al., which strangely parallels Femia's:

"... it should be pointed out that the availability of a stock of legitimising principles does not determine the use to which they are put in practical situations. There is constraint - some demands cannot be convincingly justified - but not determinacy."<sup>76</sup>

Our second intention is to analyse the ways in which the structure of industrial relations itself reflects bourgeois hegemony and impedes control by labour at different levels. The industrial democracy schemes looked at in the next two chapters all help to consolidate the structure within which the Labour movement organizes. This is not to say, of course, that the Labour movement is unable to encroach on managerial control at the margins through its own schemes. Yet the insistence of, for example, the Fabians that trade unions must retain their independence from management betrays an admission of their ultimate powerlessness:<sup>77</sup> if withdrawal and opposition is their weapon of last resort then it is a negative weapon, showing that they are unable to initiate moves in the places where the critical decisions are made. This is why the solutions to industrial relations problems advanced by liberal pluralist writers are so inadequate: if the structure which leads to bewilderment and hostility from workers is reinforced, then the bewilderment and hostility are also reinforced. Pace Fox, there is no escape unless workers' creative energies are tapped - but this requires non-reformist solutions; in Part IV we shall turn to examine the conditions in which unions may manage to break through the bounds of the industrial relations structure.



CHAPTER SEVEN

'Industrial democracy' is, then, a rationale used to defend or advance the frontier of control in industry. The next question to consider concerns the conditions under which different forms of industrial democracy are most likely to be implemented. In the following chapters we show how management and unions have exploited changes in economic and political circumstances in order to take initiatives which promote their interests in industry. These changes - at the observable level - include the stage of the trade cycle, trends in employment levels, the complexion of the government in power and its industrial policies, and even the state of international relations, amongst others. There is little predetermined about the way in which management and unions respond to such developments which may, of course, themselves be influenced directly or indirectly by management and unions.<sup>1</sup> However, they establish the context within which each side operates by setting limits on the kinds of behaviour which can be successfully legitimised. For example, it is unlikely that unions faced by high levels of unemployment and an unsympathetic Conservative government in a revived 'cold war' will easily manage to mobilise their members to extend collective bargaining, while management in the same conditions will be less bothered about incorporating shop stewards through participation committees - which may then fall into disuse.<sup>2</sup>

For this reason we have put forward a broad framework for the analysis of industrial democracy designed to prevent its identification with any one particular form - for example, with participation

or job restructuring. This allows us to understand the full range of responses available to management and unions. So, in the case above, the election of a Conservative government in 1979 led the unions to re-think their strategy on industrial democracy in working out with the Labour Party a range of proposals covering extension of their statutory rights, corporate planning and collective bargaining to be implemented by a future Labour government.<sup>3</sup> The decline of participation committees did not mean that the unions lost interest in industrial democracy. The main point is that management responses over industrial democracy elicit their own responses in turn from the Labour movement; unable to achieve much on the shop-floor it plans for political intervention at a later date. Use of 'industrial democracy' as a legitimising principle then becomes a tool of militancy, and not a measure against it.

Many of these points grow clearer as we proceed to outline the development of industrial democracy in Britain since 1945. Outlines produced until now have been couched either in institutional terms<sup>4</sup> or have focused on only one element of our broad framework, such as participation,<sup>5</sup> collective bargaining<sup>6</sup> or government-level consultation.<sup>7</sup> Here we shall relate the shifting interpretations of 'industrial democracy' to changes in economic and political conditions - for the time being, within the context of bourgeois hegemony.

#### Till 1945

It is impossible, in the space available, to produce a detailed analysis of industrial democracy in Britain before the Second World War.<sup>8</sup> Still, a few points need to be made by way of introduction.

The first is that the economic climate considerably weakened the Labour movement between the wars:

"After the unparalleled reverse of the General Strike, in a time of wide-spread unemployment, any post lock-out remnants of the shop-stewards' movement in the factories were winkled out. Militants everywhere were summarily dismissed, and the generation of resourceful and intelligent men who had led the wartime strike movements found themselves either leading unemployed demonstrations or working on sufferance in complete subjugation."<sup>9</sup>

Although shop steward activity was not dead in this inter-war period,<sup>10</sup> only the Second World War returned to shop-floor organization a degree of influence.

From the management side, McGivering and others, in a review of managerial ideology during this period, point out that despite the reforming attempts of certain industrialists like Sir Alfred Mond - later Lord Melchett, Chairman of ICI -

"... in the traditional industries ... little had been done to foster welfare for workers, even as a slogan, as late as 1939."<sup>11</sup>

In heavy industry, harmonious industrial relations were achieved through comparatively high wage rates and joint consultation; in light industry, the newer companies had often established personnel departments, or even initiated profit-sharing, though, of course, aggressive attitudes towards unions persisted.

"There was ... no widespread extension of 'welfare' policies or of personnel management until after the beginning of the last war. The large scale development of these practices came about directly as a result of Government example and pressure, followed by compulsion."<sup>12</sup>

The outbreak of war, however, demanded an immense, industrial

effort: new factories and equipment, and widespread re-distribution of manpower - within the first three years, over four million workers were transferred to jobs away from home.<sup>13</sup> During the course of the war, "the Trade Unions accepted a massive responsibility for the planning of production at every level of industry - national, regional, local, and in the works."<sup>14</sup>

A National Joint Advisory Council (NJAC) was established in October 1939 with fifteen representatives each from the TUC and (what was then) the British Employers' Confederation, plus representatives from Government. In May 1940, a Joint Consultative Committee - a constituent of the NJAC - was formed with seven representatives from each side to advise the Ministry of Labour on labour affairs. Then, during 1941, discussions took place between engineering employers and unions about production committees. By 1942, there was a three-level system in operation: a National Production Advisory Council, with various industry panels at national level; eleven Regional Boards, with district committees in important towns; and at works level, there were Pit Production Committees in the mines, Yard and Site Committees in shipbuilding and construction respectively, and Joint Production Committees (JPCs) in engineering. They were all voluntary committees except in the Royal Ordnance Factories and the Royal Dockyards. By 1944, there were about 4,500 JPCs in engineering alone.<sup>15</sup>

Whilst JPCs were concerned, as their name suggests, with production, the Factories' Medical and Welfare Services' Orders (1940) empowered inspectors to insist on the appointment of welfare officers, whom the Government trained, in enterprises employing over 250 people. The

Factory and Welfare Advisory Board advised on appropriate schemes. In addition, the Essential Works Orders circumscribed management's rights of recruitment and dismissal. All these measures taken together had a significant impact on the relationships between Government, employer and worker in industry. In 1944, for instance, the Workers' Educational Association produced a study outline which asked some critical questions:

"Do these provisions simply increase the power of the Government to control industry? Or do they enable the workers, through their unions, to exercise a degree of control?"<sup>16</sup>

The answer, as we should now begin to see, was both - but along different planes. On the one hand, JPCs for instance undoubtedly helped the war effort. Their object was to aid the exchange of views between management and workers "on matters relating to the improvement of production, to increase efficiency for this purpose and to make recommendations thereon."<sup>17</sup> Examples included maximising the utilisation of capacity, maintenance, the elimination of waste and so on. Yet on the other hand, under government auspices, management clearly felt concerned about the encroachment of workers' influence. Walpole, for instance, stated that a JPC's function was "clearly advisory and not executive"; it was to provide a channel of communication between labour and management and "on the psychological side, it canalises the legitimate aspiration of labour to have a voice in the industry to which it contributes so much."<sup>18</sup> This is a strong plea for management prerogative. And well it might be, as some political leaders were already well aware of the potential that JPCs and Works Councils possessed. Sir Stafford Cripps, then Minister of Aircraft Production, declared in

1943 that:

"It is the beginnings of democracy in the factories, with the elected representatives of the workers to discuss and suggest, just as Parliament discusses and suggests, while the Government has to decide and act."<sup>19</sup>

Indeed, unlike during the First World War, the shop stewards' movement responded favourably to the call for production in the Second. As Coates and Topham point out,<sup>20</sup> Nazism had suppressed independent trade unions in Germany - and after June 1941, the Soviet Union was also in the war on the allies' side. Jack Owen, a prominent Communist, praised the "solid wall of Red Army men" who had repulsed the Nazi tanks and continued:

"The British Labour movement, with its powerful influence over a vast army of highly skilled workers, can, and must, play a dominant role in the call to its members to greater effort, in the fight to bring our factories to a higher state of efficiency, and, in the field of politics, to work to remove from positions of power all sympathisers with the Fascist system and thus strengthen the will of the Government to more positive action."<sup>21</sup>

All this began to have an effect on management ideology. Unaware or unmindful of the way in which participation in industry bolstered the hegemonic nature of the prevailing industrial structure, some - though not all - sectors of management became bitter about workers' encroachments into their prerogative.

"Sir Walter Puckey writing in 1944 commented that this extensive introduction of joint committees meant that 'the theory of the "infallibility of management" was severely shaken.' In fact, the whole process of admonition from the State was a stigma on British management. As the war proceeded, a number of publications fanned the flames of criticism by their indictment of managerial inefficiencies, and by reporting how hostile managers frequently were to new methods of accommodation with labour."<sup>22</sup>

By the time the war ended in 1945, Labour was apparently in the ascendancy .... Management, unable to appeal to its authority to justify prerogative, was increasingly compelled to look instead to the notion of consent.

### 1945-1951

In 1945, a Labour Government was returned to power, committed to socialism and full employment. On the one hand, its aim was to further the "dignity of man":

"Political freedom, the classless society, industrial democracy, the acceptance of individual responsibility for service to the community - all these are necessary to the complete achievement of a society in which the dignity of man is recognised ...."23

And on the other hand, "production" was "the bridge" to such a society:

"But between the war-afflicted Britain of today and the glorious Socialist Commonwealth of tomorrow lies a gap. There is only one way to bridge that gap - by higher production."24

Production was necessary for exports to survive; for full employment; for social services; and to keep prices down. The great question was: "Will the country carry the load?".

All the agreements made during the war between labour and management had lapsed so in 1947 the NJAC agreed to recommend joint consultative machinery at national level: it was to be voluntary and advisory; it would deal with issues outside collective bargaining; and it was left to individual industries to work out local arrangements.<sup>25</sup>

Joint consultation was promoted both through the Regional Boards for Industry with their district committees and through the local offices of the (then) Ministry of Labour and National Service. By the end of 1948, of the 54 industries subject to an ILO survey of joint consultation, four broad categories emerged: first, those industries where national organizations on each side had agreed to recommend to their members the setting up of joint committees, with model constitutions (e.g. engineering, iron and steel, electric cables); secondly, those in which national recommendations had been made, though the form of machinery was left up to local undertakings (e.g. chemicals, printing, boot and shoe manufacture); thirdly, those in which national organizations were satisfied that existing procedures for joint discussions would permit local agreements on joint consultation (e.g. cement, asbestos, cocoa and chocolate manufacture); and finally, those in which existing machinery was considered adequate, though no formal machinery did in fact exist locally for joint consultation (e.g. cotton, heating and domestic engineering, paper and paper-board).<sup>26</sup> The fragmentation of joint consultation procedures in British industry is well illustrated by this survey.

During this period, the Communist Party - strong within the shop stewards' movement - supported this drive for production:

"If the unions wish to play a real part in planning, they must undertake a systematic campaign to revive the Joint Production Committees and to induce the Government to make them legally compulsory in all firms employing more than fifty workers, and help the workers' representatives on them to frame an adequate policy."<sup>27</sup>

This uncritical support for joint consultation - as well as its fragmented character across industry - did not facilitate appeals for



workers' control from other sectors of the Labour movement. In addition, since nationalisation itself had led only to a subsidiary, advisory role for the unions in its operation,<sup>28</sup> it is clear that labourist ideology was dominant and that any opportunity to advance proletarian hegemony had been missed. The struggle was set firmly within the framework of bourgeois hegemony.

Following the First World War, the Labour movement had questioned management at its roots, up to and including the principle of conventional management itself.<sup>29</sup> Following the Second World War, management functions were accepted, whilst management performance came under criticism. Child sums this point up quite neatly:

"... this difference in setting had some bearing on the fact that the renewed attempt at social legitimation to be found in management thought in the 1940s and early 1950s was part and parcel of the human relations techniques upon which it relied. There was a profound difference between this kind of legitimation, which in essence followed from what was considered to be effective technique, and the notions formulated around 1918 of renunciation, shared control and the like, which in a sense had been advanced prior to 'technical' considerations. It would not be too far wrong to simplify and conclude that the earlier type of legitimation was aimed at securing the right of managers to perform at all, while the later type was much more a justification of the methods that were chosen to obtain effective performance."<sup>30</sup>

Human relations techniques could flourish in an atmosphere so conducive to productivity after 1945. By the time of a resurgence in militancy with the start of the Cold War, consultative machinery had been established and considerable agreement existed over its validity and effectiveness. Mitchell, for instance, rejecting legally compulsory joint consultation as inappropriate to British industrial relations, stated that, since "a spirit of co-operation" on either side could not

be enforced, propaganda was the best method for ensuring its voluntary expansion. She concludes: " ... so far it seems that the most helpful road (to industrial democracy) is to more consultation".<sup>31</sup>

Meanwhile, management was gradually coming to view joint consultation as the best means of winning back the authority lost during the war to government intervention. Walpole states categorically:

" ... I should like to see in each of these works (endangered by industrial relations trouble when the war ends) a really live Joint Works Council where everybody in the concern, from the youngest labourer to the Chairman, are keen on hanging together through thick and thin for the benefit of the concern itself - just as a football team play the game right through even though they are being beaten. They play on, through a losing match, determined to win another day."<sup>32</sup>

The perspective contained in this viewpoint is classically unitarist. Indeed, the Conservative Party in the post-war period also, not surprisingly, maintained similar attitudes. In 1946, for instance, it produced a report which

" ... spoke of the need to foster a healthy climate based on good human relations in order to help Britain resolve her acute economic difficulties. There was an urgent need to continue the valuable work of many joint consultative bodies set up during the war years."<sup>33</sup>

During this period, then, joint consultation did provide the focus for industrial democracy in private industry for both sides. The common aim - production and efficiency - produced a temporary consensus. But it was, of course, an artificial one because both sides had very different reasons for supporting it. During the war and shortly after, militants were concerned to support the Russian anti-Fascist effort; the purposes of the allies and the Soviet Union coincided. The unions supported the war and subsequently the Labour Government in its attempts

to create a welfare state founded, as we saw, on "Production - the Bridge to Socialism". Employers managed to channel workers' efforts into JPCs, and later joint consultation committees, and thereby attempted to reassert their prerogative through consent. And Government, faced by massive drains on the country's resources, needed to establish industrial harmony to avoid the disruptive effects of strikes and so on. One author summed up the achievements of JPCs like this:

"No matter how limited their concrete results may appear to be, they bring management and workers closer together as human beings by enabling them to meet jointly on wider issues than wages and conditions of employment. Through the work of the JPCs there has developed a growing appreciation of the fact that the future of industry is of common concern to all people who are part of it."<sup>34</sup>

In all this, 'increasing production' and 'joint consultation' became the legitimising principles of both management and unions. Indeed, during 1948-9, incomes policy also succeeded in providing wage and price stability. However, it was not to last. As soon as economic conditions improved, the ostensible convergence of workers' and managements' interests diverged again. In the first place, under full employment shop-floor bargaining became more important, especially in those industries characterised by piece-rates. This led in the 1950s to wage drift as shop stewards moved out of the control of national union leaders. And in the second place, post-war reconstruction, the devaluation of the pound in 1949, and the Korean war stimulated inflation - and an industrial context in which shop-floor wage bargaining became one of the key methods with which workers could defend their living standards.<sup>35</sup>

1951-1964

The change in mood between the 1940s and 1950s is well summed up by Coates and Topham, who are worth quoting at length:

"... strange as is the thought that the leading men of the Clyde and the hunger marches should be caught up in the neutralisation of control demands, into humble efforts at 'participation', it is even stranger that the very Cold War which brought the militants' efforts at co-operation to an end created the conditions for the next major upswing of their traditional demand. It was full employment, underpinned by a technological revolution based on the war effort of the fifties and early sixties, which not only disoriented a movement that had come increasingly to concentrate its fire against 'inefficiency' and to ignore the traditional protests against 'wage slavery': but also created, in factory work-shop organizations of unparalleled strength and security, the mood to begin another push for the old objectives."<sup>36</sup>

Already in the 1950s a French writer, having noted how difficult it was to provide an overview of joint consultation in Britain owing to lack of legal regulation or even co-ordination of schemes in the private sector, stated:

"If workers' welfare has undergone developments in the majority of factories with a consultative committee, we have been able to verify that in England as elsewhere workers and bosses have different ways of conceiving the common interest, the improvement of their relationships and the solution of problems in the company. Attitudes towards consultative committees differ according to the position from which they are regarded."<sup>37</sup>

Indeed, during the 1950s, a series of factors were to alter attitudes towards consultative committees in particular and industrial democracy in general.

First, full employment was seen to lead to decreased labour discipline. Pleas for the integration of workers into their place of work became more common during this period, for example through the

extension of 'occupational democracy':

"The need for this development has been sharply accentuated by post-war conditions, for full employment has robbed the old-fashioned employer of one of his most powerful whips. Because the worker is no longer goaded forward by the fear of unemployment, his pace has in many cases slackened considerably. Yet increased productivity is an urgent necessity, not merely to the employers but to the whole well-being of the people, for without it we face economic decline."<sup>38</sup>

Such was the view in 1956 of the Progressive League, describing itself as "a politically independent organization."<sup>39</sup>

Recognition of the problem of "slackening pace" had been one of the factors leading to the establishment of the Joint Committee on Human Relations in Industry by the Department of Scientific and Industrial Research and by the Medical Research Council in March 1953. The research areas sponsored by the Committee included: factors influencing the effectiveness of incentive payment schemes; characteristics of management organization influencing productivity; factors facilitating and restricting the introduction of new production techniques and methods; and industrial education, promotion and training. At the end of their four year term, the Committee announced that:

"... we have seen a real development of research in the field of human relations in industry, and, what is equally important, a big growth of industrial interest in such research."<sup>40</sup>

Official concern about productivity levels is well reflected in the Committee's research headings.

In addition to the general question of "slackening pace", we have already stressed that the main problems in industrial relations at this

time were seen as wage drift, restrictive practices and the rising level of unofficial strikes. In this respect, the shop stewards' movement was again attracting increasing criticism. Noting that full employment had made labour a more valuable commodity, a publication of the Institute of Directors remarked in 1958 that employers will frequently pay above union-negotiated rates to retain labour:

"In their growing away from the trade union chain of command, shop stewards have set up national and international organizations. They pioneered the abortive but troublesome proposal that redundant workers should be kept on payrolls until other work could be found for them. The co-operative union official who might reach a reasonable settlement with employers if left to himself is often helpless in the grip of shop stewards backed by gullible work-people."<sup>41</sup>

Despite the unitary perspective implicit, this observation does highlight two apparently important features of industrial relations at this time. First, the relative swing in the balance of power on the shop-floor towards stewards; and second, the tension between them and the 'official' union movement - a dichotomy which influenced subsequent discussions in terms of the 'formal' and 'informal' systems of industrial relations.

There is little doubt that the comparative decline of interest in joint consultation dates from this time. In a survey of 157 firms in British industry published in 1959, the European Productivity Agency - like other commentators<sup>42</sup> - emphasised the fragmented nature of joint consultation. It also noted: "In some factories it can be built into the machinery of negotiation, in most it is best kept apart."<sup>43</sup> It is not surprising that shop stewards and rank and file should have preferred negotiation to consultation especially when economic conditions

were in their favour, since consultation in the end always involves a management decision. Indeed, the report showed that:

"Support for joint consultation ... was strong among workers' representatives, fair among shop stewards and weak among the rank and file."<sup>44</sup>

80% worker representatives "supported" joint consultation whilst 20% "accepted" it; 65% stewards were in support, 30% accepted, and 5% rejected it; whilst 40% workers supported it, and 60% accepted it.<sup>45</sup> Joint consultation became increasingly associated with the discussion of trivia, which led to a consequent lack of interest on the part of the rank and file.<sup>46</sup> And from the management side, given the growth of work-place bargaining, by the late 1950s the problem was not how to consult but rather how to re-assert management prerogative and to integrate. Not only was full employment raising the price of labour, but also - as we shall see - the development of technology, especially continuous process industry, was giving labour a more strategic role in production.

One major technique used to re-assert management prerogative, pioneered at the Esso oil refinery at Fawley, was productivity bargaining.<sup>47</sup> In an acute analysis of its significance, Nightingale separates three facets of this development: "the economic, the ideological and the political."<sup>48</sup> In the first place, faced by a crisis of profitability in British industry, management extended the scope of collective bargaining to include formerly non-negotiable items, such as work practices and piece-rate systems. These were "bought out", and instead, job evaluation, measured day-work and the elimination of restrictive practices were introduced. Secondly, such a strategy fitted into the

liberal pluralist management ideology, based on new attitudes of authority through consent; it also suited many trade unions as well. As we saw above, they too had lost a certain degree of control over their memberships, since, for instance, payment by results systems did not require official sanction to operate. However, the emergence of productivity councils at local level allowed unions to re-exert influence in bargaining over payment systems. And thirdly, the State approved of productivity bargaining as a convenient, decentralised way to re-assert control and improve efficiency. However, opposition on the shop-floor to many productivity bargaining changes increased over time - and drove a further wedge between stewards and union officials.

Still, as Nightingale points out, the development of productivity bargaining cannot be seen either as purely an "employers' offensive" or as "creeping worker control".

"(Its development) was characterised above all by unevenness, since, for various reasons, its attractiveness was limited to particular companies and industries and varied over time."<sup>49</sup>

Relating this discussion to our own conceptual framework, we can see clearly in this period how attempts are made by management and work-force to extend or consolidate positions. Commitment to joint consultation and interest in the human relations approach as methods of integrating shop-floor behaviour did not prevent an increase in shop steward representation, especially in engineering, on the shop-floor.<sup>50</sup> Consultation could be by-passed, and so new ways were needed to curb the controls - albeit marginal ones - that stewards possessed. Productivity bargaining can be seen as one such way: the employers, by building on the rationales already available by dint of an evolving



pluralist ideology, and indeed by extending bargaining into new areas, managed to meet the stewards' movement on its own ground and attempt to diminish its influence. As Topham puts it:

"... what may appear a tolerable waste at plant-level appears as a fatal weakness to the giant international combine, or to the national economy in search of controllable wage rates and an end to wage drift. Hence the economic crisis of capitalism, which nationally and internationally produced the search for incomes policy, reaches out and down to the plant level, where it appears as a drive for labour intensity achieved through a concentration of power in management hands (via productivity bargaining)."51

These trends were to be exacerbated in the next period of analysis.

#### 1964-1970

The economic background to the Labour Government during these six years has been covered amply elsewhere.<sup>52</sup>

However, in brief, inflation was rising to comparatively high levels; competitiveness in international markets was being eroded; the balance of payments was running increasingly high deficits; and in 1967, the pound was devalued. The stop-go cycle of economic policy continued, nevertheless, and sterling remained weak. All this highlighted Britain's persistent failure in maintaining smooth progress towards greater growth and productivity.

At national level, the new Labour Government carried out a series of measures to cope with the crisis of productivity. First of all, amongst several new departments were the Department of Economic Affairs (DEA) and the Ministry of Technology. The DEA was concerned with establishing a voluntary prices and incomes policy; preparing a National

Plan, with a joint statement of intent signed by the Government and representatives of the TUC and industry; improving industrial policy mainly through the Economic Development Councils; and organizing regional policy. Under the DEA, the Prices and Incomes Board was set up in 1965, and then the Industrial Reorganization Corporation (IRC). Turner has commented on the IRC as follows:

"It used its power and influence to push through mergers which might not have taken place if the market mechanism had been allowed to operate freely ...; it used public money to buy shares and achieve a merger which it approved and, in doing so, was instrumental in frustrating the offer of another company which might otherwise have been victorious ...; and, by the novelty of its approach, created all the alarm which would be produced by a stunt pilot flying a supersonic jet under Tower Bridge."<sup>53</sup>

The Ministry of Technology was engaged in similar activity. Its role was to manage scientific resources - in particular, Government research establishments - and to channel money into industry-related research and development. At the same time it aided industries in financial trouble and "played a significant role in the rationalisation of the motor and computer industries."<sup>54</sup>

Meanwhile, the Monopolies Commission - which after 1965 was empowered to investigate mergers as well - appeared not over-eager to challenge these trends towards industrial concentration. As Turner puts it:

"On the contrary, it was convinced that a good deal of rationalisation was essential if British industry was to be capable of facing full-scale international competition."<sup>55</sup>

Details of these trends towards rationalisation can be found elsewhere.<sup>56</sup> But given our perspective - that economic conditions

provide the parameters within which 'industrial democracy' comes to be defined - the question arises: what impact did these events have on labour at shop-floor level in the 1960s?

The increasing pace of economic rationalisation and concentration provides the background against which an apparently renewed interest in 'industrial democracy' can best be understood. Hughes, having noted these trends, states that concentration does not in fact create greater stability. Not only does it require greater public accountability:

" ... it also produces violent competitive pressures, often highly destructive of capital and of existing jobs and job expectations; in other words, a system in which each giant firm is having to run very hard (in research, in innovation, in cost reduction, in the exploitation of marketing techniques) to maintain its long-run security. Thus the typical company of this era is a multi-plant, multi-product company, and increasingly one that operates multi-nationally ...."57

Changes in industrial structure along with the highly de-centralised system of work-place bargaining characteristic of British industrial relations - especially engineering - help to explain the increase in militancy during this period. The Donovan Report, for instance, was particularly bothered about unofficial strikes:

" ... unofficial strikes have shown a strong general upward trend in numbers in recent years. ... some 95 per cent of strikes are unofficial. The general increase in the number of strikes in industries other than coal-mining is attributable almost wholly to an increase in the number of unofficial strikes."58

In its subsequent analysis of such strikes between 1964-1966, the Report - noting that about half were attributable to wage disputes - concentrated on those in the motor industry. First, the Report blamed the wages structure:

"If groups of workers see that other groups with whom they have hitherto enjoyed equality are able to improve their position because of the vagaries of the pay system, it is not surprising if they feel indignation and seek to recover a position of parity."<sup>59</sup>

Obviously, "the vagaries of the pay system" are likely to be exacerbated if the industry itself is in a state of expansion and turmoil; workers in a plant newly taken over are likely to look to their new colleagues elsewhere in the company for pay guidelines, in particular if a payment by results system is operated.<sup>60</sup>

Secondly, regarding those unofficial strikes arising over "working arrangements, rules and discipline" and "redundancy, dismissal, suspension etc.", the Report notes:

"Disputes from such causes reflect in part the insecurity of the industry. They also reflect the increased power and readiness of workers, in conditions of full employment, to resist unwelcome disciplinary or other managerial decisions by their employers."<sup>61</sup>

So whilst inadequate wages structures and dispute procedures are considered the immediate cause of unofficial strikes, the Report itself concedes the underlying role played by economic conditions as well. Not only is reference made to Government's part in the economy - in that fiscal measures influence demand and in turn "insecurity of employment and earnings",<sup>62</sup> but also technological development is cited in relation, for example, to iron and steel:

"Changing technology has altered the importance of different groups of workers in the production process, and as a result maintenance craftsmen, whose pay is settled separately from that of process workers, have become increasingly dissatisfied with the wages structure."<sup>63</sup>

Clearly, the problems with which the Donovan Report was concerned

have their roots deep within industrial and structural developments within the economy.<sup>64</sup> And, in broad terms, the reference to "process workers" in the last quotation brings us to the second, major change underlying interest in industrial democracy.

It did not escape the attention of industrial sociologists during this period that changing production technologies were likely to have an effect on work organization.<sup>65</sup>

As technology, especially in chemicals, oil and petroleum refining, becomes more complex, workers find that their importance increases as the labour/capital ratio alters in their favour. Management recognises that a series of effects results from this:

"First, labour has stopped being cheap and will become ever more expensive ... Secondly, labour's bargaining power has become immense (especially) because technological development has been such that small groups are now in a position to disrupt whole industries ...."<sup>66</sup>

The author adds a page later that "thirdly, and most important, labour has stopped being labour". What he means by this is that staff and technicians now often outnumber blue-collar manual workers - the implicit assumption being that their position in the labour market is radically different.

But the important point here is that the centrality of white-collar staff and technicians in process industries does create a new tension in the relationship between management and work-force. Offe, for example, in a book criticising the 'achievement principle' in industry - the notion that social and economic rewards depend on one's performance - notes that technical skills are not distributed

cumulatively throughout an organization.

"As a result the higher authority cannot have a monopoly of the definition either of the work goals or of the technical rules that specify how these goals are to be achieved ... In this situation, if the organization's goals are to be carried out, it is a functional necessity that this loss of external control is compensated for by internal controls, i.e. the individual must now himself interpret the goals and carry them out independently. An organization of this sort can only exist if an internal system of goal-oriented decision-making rules and action orientations and a normative commitment of the worker replaces the detailed hierarchical controls of the craft workshop type of unit - in which work tasks can be fulfilled merely by following the necessary technical rules."67

In other words, the enterprise - to avoid potential disruption by labour - must ensure that all its staff are fully incorporated (in the sense of value integration - see p.114) into its own goal definitions. Personnel management, therefore, has to oversee not only work discipline but also work interpretation so that production continues smoothly. The extension of discretion to the work-force for the purposes of technological development must mean at the same time improvements in its socialisation.

Both management and workers are aware of this. In 1964, for instance, a Wages Structure Panel was set up in ICI to establish how best the company could adapt itself to a changing environment in chemicals. The result was a series of trials to improve Manpower Utilisation and Payment Structures (MUPS), which was basically a productivity exercise. Roeber explains:

"It was not just that jobs were to be examined, analysed and re-designed, but also that the process of doing so was to be - which no area of managerial decision-making had been before - co-operative as had been the process leading to MUPS itself. It was a complete departure from the ICI tradition of decision-making, of technical

expertise deployed within a framework of managerial prerogative. A logical result of this process was a more participative style of management."<sup>68</sup>

He adds, in the conclusions, with an engaging honesty:

"The energy for the change came from its hoped-for value in securing the company's commercial survival - and there is nothing paradoxical or unexpected in a company's acting in its own interest."<sup>69</sup>

This approach - defined by the company as joint consultation - appears well established: "effective management has to become a shared objective", claims an ICI Works Manager, continuing that "one of the priorities in industry must be to find ways of taking employees' views into account before major decisions are taken."<sup>70</sup> Even so, these views may not necessarily weather a recession.<sup>71</sup>

Nevertheless, the seriousness with which management began to treat participation and productivity bargaining - especially in process industries<sup>72</sup> - is vindicated perhaps by some of the claims being made for white collar militancy at the same time by some Marxist writers. Mallet, for instance, drawing on French experience, denied that technical staff were well integrated into technologically advanced industry, even though they are largely responsible for running it. He claimed that the 'new working class' is revolutionary - not in the traditional sense of wanting to seize political power but in the sense of wishing "to modify the existing social relations fundamentally". He continues:

"... the more the modern worker reconquers on the collective level the professional autonomy which he had lost during the period of the mechanisation of work, the more will demands for control develop."<sup>73</sup>

Evidence for this view is adduced from the events of May 1968 in

France; the demands of the advanced sectors of the French working class went well beyond the traditional areas of wages and conditions to challenge as well "the techno-bureaucratic centres which direct the economy". Mallet concludes:

"Precisely because its elementary demands are largely satisfied, the new working class is led to ask itself other questions whose solutions cannot be found in the sphere of consumption."<sup>74</sup>

The question here is less whether or not white-collar workers are at the forefront of militancy - though there is certainly some evidence for this from Britain as well<sup>75</sup> - than what the effect of their potential militancy has been on management perceptions of industrial relations: during the 1960s, management began to appreciate the potential threat that small numbers of highly trained workers could have on the production process.

Now, a rise in militancy - either because of economic or technological circumstances - has an effect not only on employers and Government (both of which prefer to control it) but also on trade unions. On the one hand, they are to represent their members' interests, yet on the other they are, as we have seen, systematically integrated into the social system. Up until the middle 1960s, as Hyman demonstrates,<sup>76</sup> union leaders frequently tried to play a neutral role in serious, unofficial stoppages, often advising a return to work but rarely instructing it. However, towards the end of the 1964-70 period, and especially in the early 1970s, unions began to sanction strike action more and more. A series of strikes during this period were not just unofficial, but also anti-official. Unions began to recognise that "to keep some form of control over the situation, a degree of endorse-



ment of militant action may well appear the most prudent course."<sup>77</sup>

Unions, then, also had good reasons for channelling militancy into acceptable procedures. This point is well summed up in the following quotation from the Labour Party Working Party report, Industrial Democracy, published in 1967. It explicitly links economic rationalisation with the need to ensure adequate union defence of workers' interests:

"... the scale of (mergers) has multiplied several times over as compared to the 1950s, so that hundreds of firms and thousands of plants a year may be affected. Although the 1965 Monopolies and Mergers Act provides a system of public investigation and control that can do much to ensure that consumer interests are not neglected, no such protection is afforded the workers. Yet the impact of 'rationalisation' following such take-overs may fall harshly and arbitrarily upon large numbers of workers - whether it takes the form of outright closures of plants or managerial insistence on new wage systems or procedures. For the shareholders concerned there is the protection of company law, for consumer interests anti-monopoly statutes, but for the workers concerned, no statutory protection - and this in a situation where trade union organization may not be able to ensure an adequate defence."<sup>78</sup>

During the late 1960s productivity bargaining began to decline. In 1967, a statutory incomes policy was introduced which made rises in production central to the justification of pay increases.

"Thus an important element of classical productivity bargaining, that it should be a continuous process to secure ideological acceptance of change in order to qualitatively restructure the balance of power at plant level, was replaced by a narrow concentration on the achievement of measurable improvements in 'effort' in return for short-term wage increases."<sup>79</sup>

Dissatisfaction with incomes policy and rising unemployment together help to explain the following figures:<sup>80</sup>

	No. of productivity bargaining agreements
Jan. 1967 - June 1968	761
July 1968 - Dec. 1968	1,107
Jan. 1969 - June 1969	977
July 1969 - Dec. 1969	874

Thereafter, the number of agreements fell drastically.

Union leaders were constrained by their members to use different rationales for wage increases as discontent with Labour's economic policies grew; and, as Nightingale points out, though the process had begun earlier,

"By 1972 it was clear that unemployment rather than productivity bargaining was to be at the centre of the State's economic strategy."<sup>81</sup>

Emphasis on joint consultation also declined throughout the 1960s. In 1966, the CBI produced a report arguing that consultation and negotiation procedures should not be confused or else decision-making would become a matter of negotiation, thereby abnegating the role of prior consultation; and that negotiation machinery should represent the entire work-force, not simply union members.<sup>82</sup> However, the British Institute of Management was to state in 1968:

"Although joint consultation in both public and private industry has produced many notable successes in solving particular social problems and in smoothing the way for change, the hope that joint consultation would be the means of producing a new industrial society has not been fulfilled."<sup>83</sup>

This was alleged to be because consultation had not in itself managed to involve workers sufficiently in the process of change:

"It is possible therefore if joint bargaining at plant, factory or company level is given impetus and standing

by the Donovan Report and the Industrial Relations Commission which is envisaged, that industrial democracy will blossom and flower from the grass roots of industry (sic). This would be its natural means of growth - from the bottom up. The false starts from the top have not been successful or satisfying."<sup>84</sup>

It is, of course, in this quotation - with its reference to the Donovan Report - that the main orientation towards industrial relations problems in the 1960s is found. We have already illustrated at length in Chapters One and Two the pluralist assumptions underlying the Donovan Report's proposals, and its emphasis on collective bargaining. However, the Commission considered "collective bargaining" as something apart from industrial democracy, which it pondered in Chapter XV, "Workers' Participation in Management". Here, it focused almost exclusively on the TUC's proposals put forward in its evidence<sup>85</sup> for trade union representation on company boards, as well as workers' representation at intermediate and plant levels within the enterprise. These proposals were rejected - because of the possible conflict of interests for worker directors, amongst other reasons<sup>86</sup> - in favour of a series of proposals including the registering of collective agreements with what was then the Department of Employment and Productivity, the setting up of an Industrial Relations Commission dealing with issues like union recognition, and the protection of employees from unfair dismissal. It did not suggest the legal enforceability of collective agreements.<sup>87</sup> Donovan, then, in proposing the regularisation of collective bargaining as the means best suited to contain the most disruptive aspects of industrial relations practice, failed to identify collective bargaining with industrial democracy.

The Labour Party Working Party on the same subject, however, had

a different view. First, its declared purpose in examining the extension of industrial democracy was to advance the "development of the individual", the protection of employees at work, management by consent, industrial efficiency and social accountability.<sup>88</sup> Secondly, it considered participation to be closely associated with union organization, which was to provide a single channel of representation in industry. And thirdly, it explicitly identified the extension of collective bargaining with industrial democracy:

"The basic approach of the Working Party was to plan for a considerable extension in the scope and content of collective bargaining. But a major prerequisite of this extension, it recognised, is 'the general and effective recognition of the rights of workers to organize, represent and participate in major matters affecting their working lives'. And this requires the full backing of the resources of the State."<sup>89</sup>

The realism of Donovan in acknowledging collective bargaining as the central process in British industrial relations, and the emphasis of the Labour Party in focusing on it as the key to greater union influence in industry came together at the end of the 1960s in a well-known White Paper. As disillusionment with nationalisation grew, so a swing took place within the Labour Party towards more collective bargaining. As Eaton and Fletcher put it:

"The extent of this conversion may easily be judged by reference to one document which may be regarded as the synthesis of Labour's industrial relations policy in the late 1960s, 'In Place of Strife' (1969). This highly contentious White Paper emphasised, amongst other issues, the central role to be played by collective bargaining as a method for advancing industrial democracy."<sup>90</sup>

'In Place of Strife' envisaged a Commission on Industrial Relations to disseminate good practice in reforming collective bargaining, as well as the imposition of discretionary conciliation pauses in unconstitu-

tional strikes, strike ballots in the case of major official strikes and an Industry Board to impose financial penalties for breaches of such orders issued by the Secretary of State for Employment and Productivity.<sup>91</sup>

The reaction of the press was favourable on the whole. The Observer, for instance, stated that:

"... inasmuch as it (the White Paper) will transform the position of trade unionists from that of licensed outlaws to citizens with defined rights and obligations, it should be welcomed by them."<sup>92</sup>

The White Paper was not, of course, welcomed by the unions. The TUC, a large number of Labour MPs, the Labour Party NEC - as well as a May Day strike in protest - all demonstrated opposition to the penal aspects of the proposals. In June 1969, the Government announced its withdrawal of legal sanctions from the measures. There was an easy advantage to the Conservatives in this. The following year they won the general election with the reform of industrial relations as a major part of their manifesto.

This period shows very clearly - against a background of militancy and industrial conflict - how several different forms of industrial democracy failed to reduce conflict on the shop-floor. Joint consultation, productivity bargaining and the attempted regulation of collective bargaining through legal sanctions were unable to cope with the effects of structural changes in the economy. None of these measures managed successfully to reinforce managerial ideology on the shop-floor or to undermine Labour ideology.

The tradition of voluntarism was particularly important in

supplying rationales with which workers could oppose the regulation from outside of collective agreements at either industry or plant level. By this stage only the TUC had raised worker directors as an issue - as a means to achieve greater influence at company level. The Conservatives were still to attempt to regulate collective bargaining through the law before the notion of worker directors would emerge as the last novel approach to solving Britain's industrial relations problems. In the next chapter, we continue our analysis into the period 1970-1980.

## CHAPTER EIGHT

In the last chapter we analysed the development of industrial democracy in Britain between 1945 and 1970. Using the theoretical framework presented in Chapter Six, we showed how different forms of industrial democracy had caught the attention of management and work-force in varying economic conditions. These forms differed according to level, area of interest and degree of influence according to their perceived suitability in resolving industrial relations problems. So, for example, with the economic boom of the 1950s, joint consultation gave way to negotiation at plant level as the method then most efficient in mediating control between the two sides. However, by the 1960s, with concern expressed about shop-floor 'anarchy', interest was stimulated in new methods of control - in particular, productivity bargaining and legal regulation.

In this chapter, we analyse discussions about, and schemes for, industrial democracy in the 1970s. Three major areas of interest emerge: attention to the quality of working life and participation; the extension and consolidation of collective bargaining through legal rights; and the 'social contract', with the notion of worker directors as a major theme. These methods advocate - in Friedman's phrase - "responsible autonomy".<sup>1</sup> However, the decade is bracketed at each end by "direct control" methods: the Conservative Government (1970-1974) was committed to widescale reform of the British industrial relations structure through legal regulation, and the one elected in May 1979 was committed to public expenditure cuts and cash limits. The effect has been to erode unions' influence through the creation of

unemployment and an anti-union ideology. This ten-year period can therefore be divided into five sections for our purposes.

### Direct Control, 1970-1974

The Conservative Government, which was returned in June 1970 with industrial relations reform as a major plank in its manifesto, soon published an Industrial Relations Bill and Consultation Document to accompany it. Macdonald comments: "In spite of its title there was no attempt as in 'In Place of Strife' at persuasion". The Conservative Government extended the basic legal regulation of Labour's proposals "but they were a good deal more uncompromising and exhaustive ...."<sup>2</sup> Indeed, as Fox points out, the frame of reference of the Industrial Relations Act - passed in August 1971 - had become unitary with a heavy reliance on punitive sanctions.<sup>3</sup> Among its main features were a Code of Industrial Relations Practice, "new rights and protections for the individual", the maintenance of these rights through "a new Industrial Court", "a new system of registration for trade unions and employers' associations", and the introduction of "new methods of settling disputes ... and for improving procedures for handling industrial relations".<sup>4</sup>

It is not necessary here to trace the history of the Act except to say that it was vigorously opposed by the organized Labour movement and that it was repealed by the Labour Government elected in 1974.<sup>5</sup> Indeed, this campaign of opposition helped to spawn a new phenomenon - the work-in, first of all at Upper Clyde Shipbuilders - which was to have a major impact in the 1970s on alternative forms of industrial democracy. The demise of the Industrial Relations Act spelt the end of plans involving legal regulation of industrial relations through



registration and Industrial Courts. Not even the Thatcher Government was to attempt this after its election in May 1979.

### 'Post-Material Values' and Job Restructuring

The perceived problem, of course, remains: how is industrial disruption to be minimised; how is workers' behaviour to be regularised?

From the late 1960s onwards, attention became increasingly focused on the question of 'post-material values'. According to Garson, for instance:

"Since the Second World War, an intergenerational shift in attitudes has occurred, de-emphasising traditional values like order and security in favour of new emphasis on free speech and participation."<sup>6</sup>

In addition, the same process is often alleged to have eroded the work ethic. Several writers, such as Nossiter<sup>7</sup> and Forester,<sup>8</sup> have pursued this theme in relation to Britain, not necessarily unsympathetically. The view, albeit a controversial one, is that as prosperity increases, people become more and more interested in non-material values, such as leisure and the "quality of life". As Cherns points out:

"The post-materialist values represent a complex of attitudes towards economic, political and social issues: while broadly liberal and permissive on social issues, they tend to be egalitarian and consumer-oriented on economic ones. Most prominent is an insistent humanitarianism and urge towards the exploration and fulfilment of self. Post-materialist attitudes towards work emphasise its role in obtaining self-fulfilment, rather than money or security or power."<sup>9</sup>

This background certainly helps to explain the gathering interest

in the late 1960s and 1970s in job satisfaction and the quality of working life. Indeed, the Code of Industrial Relations Practice established by the Industrial Relations Act emphasised:

"the point that managements, recognising the need of employees to achieve a sense of satisfaction in their jobs, should provide for it so far as is practicable."

This statement, written by Maurice Macmillan, in 1973 Secretary of State for Employment, continues:

"They (management) can do so by creating conditions in which, for example, individuals or groups have greater variety in their work, a bigger share in making the decisions which affect it and the greatest possible autonomy."<sup>10</sup>

This pamphlet recommended that the Research and Planning Division of the Department of Employment should monitor projects designed to make jobs more satisfying, since

"... modern work systems can be devised to meet the needs of a competitive economy while at the same time affording a range of jobs which are at the least comparatively satisfying and progressive for most of the people available to do them."<sup>11</sup>

In June 1973, the Government set up the Tripartite Steering Group on Job Satisfaction. It met quarterly, representing the Government, TUC and CBI to investigate shop-floor participation.<sup>12</sup> On its recommendation, the Department of Employment established a Work Research Unit in November 1974 to continue analysis of job satisfaction in greater depth.<sup>13</sup> The Steering Group itself in a booklet stated:

"If we accept the reality of the problems and tackle them with understanding, imagination and common sense, we can do something to make work a more satisfying experience for many people, and at the same time make it more efficient in producing the goods and services we all need."<sup>14</sup>

Work satisfaction and productivity are the pillars on which job design experiments rest; from the management point of view, they provide the links with the promotion of joint consultation in the 1940s. Though the Industrial Relations Act disappeared, the participation ideas contained in its Code of Industrial Relations Practice have persisted, especially in relation to the introduction of 'new technology'.<sup>15</sup> This is connected with what is sometimes seen as the changing basis of management authority. Management prerogative once rested on property rights, but the development of the joint stock company and the mixed economy - it is alleged - have undermined that rationale.<sup>16</sup> In its place has come technical expertise, the possession of which was to justify management authority. However, strategic decisions are made by managers on the basis of expert advice from elsewhere - lawyers, systems analysts, accountants and so on. It would follow then that many more groups than generally appreciated could contribute to decision-making, a fact which has provoked unease amongst management, wary of attacks on their prerogative. Radice illustrates this unease by quoting from W. C. Adamson's inaugural letter to members on his appointment as Director-General of the CBI in 1970:

"Managers do not - if they ever had - have a divine right to manage. There is no automatic prerogative to make decisions and expect them to be carried out. The process of decision making will have to be more and more justified and demonstrated to be right in order to command the respect not only of the people working in the company but the community as a whole!"<sup>17</sup>

A third legitimation of management prerogative therefore appears after property rights and possession of technical skills: consent. Given this, recourse to participation and shop-floor job restructuring appears quite natural as they are in direct conceptual line with human

relations and neo-human relations approaches to management: they all stress 'responsible autonomy' and consensus as the best means to achieve efficiency.<sup>18</sup> There are numerous examples of managements' achieving their aims - increased productivity, reduced absenteeism and turnover - through participatory job satisfaction schemes: in Britain,<sup>19</sup> in Sweden<sup>20</sup> and in the USA.<sup>21</sup> As we shall see, the Bullock Minority Report - emanating exclusively from the industrialists on the Committee - favoured shop-floor participation of one form or another above any other.

From the unions' side, however, there is considerable scepticism over job satisfaction projects. Commenting on the Conservative Government's statement, "On the Quality of Working Life", Hughes and Gregory criticise, first, its assumption that the life of workers has improved to such an extent that only work satisfaction remains to be achieved, and second, its view that work satisfaction is something apart from issues like shift-work, health and safety, workload and, indeed, increased leisure.

"Consequently, we do not think that trade unions will share the government's view of the area of industrial life which might be affected by job enrichment. They cannot forget other aspects of industrial life, including the social impoverishment and physical damage associated with low pay and excessive hours of work: with shift working: with industrial accidents, unemployment and job insecurity. Hence unions are unlikely to treat job enrichment as a separate issue."<sup>22</sup>

The authors point out that the quality of working life can be bettered only by a comprehensive look at "the total work situation".

"There is a clear need to bargain about the whole sequence of managerial decisions which really control job content,

security and prospects. These start with the prior planning of the human aspects and labour requirements of the new investment programmes."<sup>23</sup>

This view is developed by Hull, who argues for a broadening of the definition of work organization to embrace decisions and actions not at first sight connected with the design of a particular job.

"The factors which should concern unions include changes to pay and reward systems, autonomy and discretion on the job, the organization of support services, training, organizational structure, changes in technology, task variety, information and feedback and interpersonal and group processes."<sup>24</sup>

Hull maintains that unions must understand the links between the 'higher-levels' of decision making in a company and the work environment. The introduction, for instance, of cost-reducing new machinery can have a major impact on the "quality of working life" - though the unions may not have been able to negotiate over its introduction in the first place. Elsewhere, Hull lays down a possible strategy for unions to adopt over work organization. First, they should "test" management to discover whether its motives over a work organization scheme are sincere or not (for example, by insisting that money be set aside for training in the new work techniques); secondly, they should ensure adequate protection for their members against certain disadvantages the scheme may have - for example, redeployment or redundancies; and thirdly, they should insist on joint control over the implementation and administration of the scheme.<sup>25</sup>

On the whole, then, the Labour movement has tended to remain suspicious of job-restructuring, and few socialist writers have claimed that it could, in itself, help to raise workers' consciousness.<sup>26</sup>

Extension of Collective Bargaining and  
Industrial Strategy

When the Labour Government was elected in March 1974, its first objective in the industrial sphere was to repeal the Industrial Relations Act. The Trade Union and Labour Relations Act was passed on 31 July. Its main purposes were to "repeal the Industrial Relations Act, 1971", to "restore ... traditional provisions concerning the status and regulation of trade unions and employers' associations" and to "restore ... the traditional legal immunities" for unions involved in disputes.<sup>27</sup> Thereafter, the Employment Protection Act was passed in November 1975; it built on the conclusions reached by the Labour Party Working Party Report, Industrial Democracy, in 1967 by concentrating on collective bargaining and attempting to strengthen union organization as the single channel of employee representation:

"The purpose of the Act is to encourage the extension of collective bargaining. A procedure is laid down whereby unions can apply for recognition and the disclosure of information for collective bargaining where employers do not do this."<sup>28</sup>

Amongst other provisions, it established ACAS and the CAC; required employers to disclose information to representatives of recognised trade unions for the purposes of collective bargaining; and conferred a series of rights on employees - maternity rights, time-off entitlements and so on - all of which conceded new areas for collective bargaining at the appropriate level in industry.<sup>29</sup> Meanwhile, the Health and Safety at Work Act laid down the rights for trade unions at the place of work with respect to health and safety.

In 1976, the Department of Employment commissioned a major survey

of the different forms of industrial democracy in British companies, one purpose of which was "to describe the environment within which future change takes place."<sup>30</sup> Out of 296 manufacturing companies which responded, just over half had joint consultation committees at company level, and of these two out of five covered all employees. Whilst only half of such joint consultative committees were union based, in most cases the convener was a member. Asked about which issues were not negotiable,

"... the most common answers related to capital investment and, to a lesser extent, new product planning at both company and establishment level."<sup>31</sup>

The author adds the interesting comment:

"(this suggests) that management may sometimes offer the limited concession of consultation when they are not willing to sacrifice their prerogative to collective bargaining."<sup>32</sup>

Otherwise, issues for consultation tended to overlap with those for negotiation. Consultation procedures, then, were still fairly widespread in the middle 1970s - though the extension of union involvement to board level decisions was soon to become the major issue of the decade.

In addition to strengthening collective bargaining, the Labour Government had a second strand to its industrial policies: it aimed to increase the influence of trade unions over the national formulation of economic and industrial strategy. (We have already examined some of the issues raised by this policy in our discussion of 'corporatism' in Chapter Four). The approach, outlined in an influential book by Stuart Holland, envisaged a National Enterprise Board (NEB) as a state-holding company to take a controlling interest in the 'meso-economic'

sector of the economy (the top one hundred leading companies) with the aims, amongst others, of:

1. stimulating investment;
2. creating employment;
3. increasing exports and decreasing reliance on imports; and
4. promoting industrial efficiency.<sup>33</sup>

Such were the objectives of the NEB, as set forth in the Labour Party's Election Manifesto in October 1974. At the same time, workers were to be represented through the planning agreements system.

"This was to include not only the new public enterprises brought into the National Enterprise Board and independent public authorities such as the nationalised ports, but also such existing single-sector nationalised industries and services as the Steel Corporation, the Coal Board, British Rail, the Post Office, and so on."<sup>34</sup>

The principal intention was to secure the agreement of those enterprises within the system to help the Government meet its social and economic objectives - for instance, job creation.

These measures, implemented through the Industry Act (1974), along with the Government's Industrial Strategy, the setting up of tripartite Sector Working Parties - and, of course, the Bullock proposals - formed the backbone of what became known as the Social Contract with the TUC.<sup>35</sup> Voluntary pay restraint was to be secured in return for greater union involvement in areas such as pensions, the distribution of investment and company-level board representation.

"In effect, the trade union leaders were saying it was no longer enough for them to have their own Labour Party in power; they must also develop a special working relationship so that the Labour Government developed and carried out its policies in partnership with the unions. The



vehicle for this social contract relationship was the Labour Party - TUC Liaison Committee ... in which top union leaders were brought together in regular monthly policy-influencing meetings with ministers, free of the trappings of the Civil Service."<sup>36</sup>

However, the strategy soon ran into difficulties. Ralph Bateman, then President of the CBI, pledged all out opposition to the Industry Bill, calling it 'Big-Brother style' legislation.<sup>37</sup> Taylor, in an analysis of the Social Contract, concluded that the unions achieved much in the first six months of Labour Government in 1974, but later, despite TUC submission to pay policy, the Government acted independently.<sup>38</sup> Faced by recession, it deflated the economy and sharply restricted the powers of the NEB to invest in large businesses. The NEB ended up as a home for ailing companies and the Sector Working Parties as little more than discussion forums.<sup>39</sup>

Cataloguing the cuts in public expenditure, wage restraint, "subservience to the International Monetary Fund", the increase in unemployment and "a total failure to mobilise the power of business in the so-called industrial strategy for the regeneration of British industry", Holland concludes that "the periods of Labour government since 1964 have left no major record of radical policies or irreversible advance."<sup>40</sup>

We return to these points - in relation to the prospects for industrial democracy - in the Conclusions. However, it should be clear that the Labour Government had relatively little success at national level in tilting even the observable aspect of industrial power in favour of organized Labour. We now must consider whether this inability extended as well to board-level representation in

individual companies.

### Board-Level Representation

The 1970s was undoubtedly the decade which witnessed a great upsurge of interest amongst certain sectors of the Labour movement in board-level representation. Elliott draws a comparison with the ten years before:

"Back in the mid-1960s however there was little active interest in the concept of worker directors, and the Labour movement was still wedded to the doctrine of industrial democracy handed down at the turn of the century by the Webbs which was based on the tradition of collective bargaining between unions representing workers and management and the representatives of capital."<sup>41</sup>

As we have seen, the regulation and the extension of collective bargaining were the aims of the Donovan Report and the Labour Party Working Party Report, Industrial Democracy, respectively. Although the TUC Evidence to the Donovan Commission contemplated encouraging union representation at board-level, the Labour Party Report did not consider it as a suitable starting point - it "is likely to arise in the main after a further process of the extension both of collective bargaining and of statutory protection."<sup>42</sup> The Donovan Report itself did not favour the appointment of worker directors, taking the view that the split in loyalties could impose too much strain on an incumbent. Three members of the Commission wanted voluntary experiments and only two - Eric Wigham and Andrew Shonfield - suggested legislation to oblige companies with over 5,000 employees to have at least two worker directors, appointed by the unions.<sup>43</sup>

# (1) Pressures Towards Worker Directors

Several events in the early 1970s were, however, to concentrate the collective mind of the Labour movement on the issue; the election of the Conservative Government in 1970 is central in this.

First of all, on 1 January 1973, Britain had joined the European Economic Community (EEC). Over the long term, one of its aims is to harmonise company law between member countries (amongst other areas of law). A series of proposals has been published over the years by the EEC on employee participation, each of which has stressed board-level representation, as well as a flexible attitude towards the procedures through which such representation is to be carried out.<sup>44</sup>

For our purposes, the most important proposal put forward by the EEC Commission is the Draft 5th Directive, published in October 1972.<sup>45</sup> Using Dutch experience as a model, it proposed that limited companies in each member state should adopt a two-tier board structure: the management board should be appointed by a supervisory board on which there should sit one third workers' representatives. The Directive was to cover companies with over 500 employees. (The EEC Commission was later to publish both a Green Paper,<sup>46</sup> discussions on which were to open up revisions of the 5th Directive, and a European Company Statute,<sup>47</sup> to form the basis of future 'European Companies').

The Fifth Directive, to quote Schmitthoff,

"... clearly expressed the change in company law philosophy from the company as a means of profit maximisation in the interest of the shareholders to that of an enterprise in the national economic order which must serve the interests of shareholders who provide the capital, of employees who provide the labour, and of the community as a whole."<sup>48</sup>

We shall see whether British industry itself consented to such moves later on. However, the Conservative Government, committed to the EEC, was also committed to this Directive. There are often misunderstandings over how long the EEC takes to act, and indeed even by the early 1980s still little progress on its implementation had been made.<sup>49</sup> But according to Hugh Clegg, Mr. Heath, then Prime Minister:

"... was very much an advocate of going into Europe, both in this respect and in others, because he felt that, having tried the Industrial Relations Act, and having tried a statutory incomes policy, there must be some way of improving British industrial relations, and conceivably this could be it."<sup>50</sup>

The Conservatives' espousal of the Fifth Directive clearly entailed a response from the other sides of industry. Both management and unions believe that entry into the EEC was the main reason for sudden concern with board level representation. According to, for instance, the Association of British Chambers of Commerce,

"... this groundswell of ideas towards greater 'industrial democracy' - however defined and understood - has been swept into prominence by the activities of the European Economic Community."<sup>51</sup>

Similarly, APEX acknowledges:

"... the significance of ... Britain's membership of the EEC (in structuring the Bullock Committee's terms of reference as part of) the moves towards the progressive harmonisation of industrial practices throughout the Community."<sup>52</sup>

Another factor in stimulating interest in worker directors has already been alluded to. As we have seen, the legislative approach to the regulation of industrial relations finally failed with the

concerted opposition to, and eventual repeal of, the Industrial Relations Act. Yet the same problem remained: how to incorporate the shop-floor in general and the shop stewards' movement in particular.

The intention that board-level representation should incorporate the work-force more effectively is made explicit in the body of the Bullock Report itself:

"... the major advantage to the board of employee representation lies in the greater acceptability its decisions will have if agreed to by employee representatives and in the regular two-way flow of views and opinions to and from the employees."<sup>53</sup>

And again:

"We see considerable value in shop stewards being the key figures in a system of board level representation. They are almost invariably elected by trade union members at the work-place and because their constituencies are small ... they are kept in close touch with those they represent ... They are generally 'supporters of order exercising a restraining influence on their members in conditions which promote disorder ... more of a lubricant than an irritant'. We think that companies will find it useful to have such people on their boards."<sup>54</sup>

These observations are made in conjunction with the belief that employee representatives must be given:

"... a real, and not a sham or token, share in making the strategic decisions about the future of an enterprise which in the past have been reserved to management and the representatives of the shareholders."<sup>55</sup>

This apparent paradox is resolved by understanding that participation in strategic company decisions in no manner impinges on the nature of the economic and industrial structure itself. A shift in what we have termed observable power relationships in favour of the

work-force can be seen to improve or strengthen the non-observable power relationships implicit in a market economy. However, within the Labour movement moves towards employee representation at board-level, when favoured, were supported for reasons closely related to taking advantage of a possible shift in power towards Labour in observable power relations.

Clegg, for example, claims:

"When it became known by the General Council (of the TUC) that Mr. Heath was going to propose supervisory boards with one-third representation for workers, Jack Jones (then General Secretary, TGWU) said to his colleagues, 'Look, the one thing you cannot do is to say "No". When a Conservative Prime Minister says "Unions, do you want to go on the board?", you can't say "No, we reject this, Prime Minister". That's not the way to negotiate, as you know. If the management comes and asks you if you want something, you don't say that you don't want it: you say you want more'. Anyway, he said fifty percent ...."<sup>56</sup>

Indeed, Elliott relates a similar tale.<sup>57</sup>

The TUC Annual Congress in September 1973 accepted the TUC's proposals for 50-50 worker representation on supervisory boards.

The Statement of Policy, endorsed by the TUC in 1974, stressed that:

"... appointments to supervisory boards are acceptable and desirable only if made through trade union machinery at company level (the precise manner might vary), and retaining a representative character and links with the trade union machinery."<sup>58</sup>

This document became the TUC's evidence to the Bullock Committee - though in supplementary notes endorsed by the TUC in 1976, they modified their views to allow a reconstituted unitary board.

Despite the confusion at the 1976 annual TUC - where inconsistent

motions on industrial democracy were passed<sup>59</sup> - it was felt quite widely that the presence of worker directors on company boards would help to achieve influence outside the scope of collective bargaining. The main reason for TUC interest in worker directors lay, then, in the appreciation that collective bargaining did have certain limitations which board representation - the chance of which the EEC had presented - could possibly overcome:

"Major decisions on investment, location, closures, takeovers and mergers, and product specialisation of the organisation are generally taken at levels where collective bargaining does not take place, and indeed are subject matter not readily covered by collective bargaining. New forms of control are needed."<sup>60</sup>

The TUC called for a mandatory system of worker representation on supervisory boards, appointments being made through the trade unions. The specific details here are of less importance than the way in which the TUC grasped the opportunity of EEC membership to develop new rationales for itself in extending union influence.

The existence of a 'gap' in influence between plant and national level had long been recognised in the Labour movement - for example, by Butt<sup>61</sup> as well as, more recently, by Wedderburn.<sup>62</sup> Two major limitations of collective bargaining are that, first, it is uneven because density of unionisation varies in different industries and companies resulting in correspondingly different bargaining strengths; and secondly, it is insufficiently timely or continuous, since unions must frequently react to events rather than initiate them. APEX, in its submission to Bullock quoted four areas which are "not amenable to resolution by existing negotiating procedures": a merger with another company; establishment of subsidiary companies overseas;

establishment of new factories within the UK; and improvement of information disclosure to the unions. The section concludes:

"For these reasons we do not consider that an extension of collective bargaining alone can result in the introduction of effective industrial democracy."<sup>63</sup>

By the middle 1970s, then, considerable impetus had built up behind the notion of worker directors. It attracted headlines for several reasons. First, it was related to Britain's entry into the EEC, still a controversial issue, as the referendum in June 1975 made clear. Secondly, it was - in British terms - a new departure in industrial democracy. As we have seen in this and the previous chapter, the term 'industrial democracy' comes to alter its content and connotations as economic conditions alter. Joint consultation and collective bargaining are concepts with an old lineage in British industrial relations and so worker directors seemed to offer new opportunities. Thirdly, there is little doubt - as we shall see in the rest of this chapter - that the issue did involve a shift in the balance of observable power towards organized labour, and therefore aroused new debates. And fourthly, attention was focused on the deliberations of the Bullock Committee. In all, about 330 individuals and organizations are listed in Annex A under the heading: "List of Those who Submitted Evidence."<sup>64</sup>

The Conservatives lost the February 1974 election before they were able to produce a Green Paper on industrial democracy. However, under the new Labour Government the subject of worker directors emerged again with Giles Radice's Private Member's Bill to amend the 1967 Companies Act. The Institute for Workers' Control commented:



"It was a good thing that this Private Members' Bill was carried, by the substantial margin of 250 votes to 124, since it will no doubt now have the intended effect of jogging the Government into bringing forward legislation to honour its crucial election pledge for action on industrial democracy."<sup>65</sup>

The Bill was based on the TUC's Statement, Industrial Democracy.

After some prevarication, the Secretary of State for Trade, Peter Shore, announced on 5 August 1975 that there would be a Committee of Inquiry to advise the Government on board level representation in the private sector. The terms of reference were as follows:

"Accepting the need for a radical extension of industrial democracy in the control of companies by means of representation on boards of directors, and accepting the essential role of trade union organisations in this process, to consider how such an extension can best be achieved, taking into account in particular the proposals of the Trades Union Congress report on industrial democracy as well as experience in Britain, the EEC and other countries. Having regard to the interests of the national economy, employees, investors and consumers, to analyse the implications of such representation for the efficient management of companies and for company law."<sup>66</sup>

The membership was announced on 3 December 1975, with Sir Alan (now Lord) Bullock as Chairman. The report was presented to Parliament in January 1977; it consisted of Majority and Minority submissions.<sup>67</sup> The main provisions of the Majority Report included single board representation; a 2X + Y formula, in which the 2X referred to equal employer/employee representation, and the Y to a minority number of "independent" directors agreed and co-opted by the 2X; union channels to elect worker directors; a union Joint Representation Committee (JRC) to organize elections; an Industrial Democracy Commission (IDC) to advise on the operation of the legislation; and the proposals were to apply to companies with over 2,000

employees. Considerable discussion centred on the role of company groups and multi-nationals, as well as on the tasks facing the JRC and the IDC. The Minority Report rejected all these proposals in favour of participation below board level, voluntary experiments with supervisory boards, and the principle of employee - not union - representation, which should, finally, always form less than half the board membership.<sup>68</sup>

(2) Attitudes Towards Worker Directors

(i) Labour

For the purposes of analysis, there were four broad responses taken towards the Majority Report. These are set out below:

TABLE THREE

Interest	Response	Reservations	Examples
Labour	Pro	None	TUC, TGWU
Labour	Pro	Some	APEX, IWC, NUBE
Labour	Anti	-	AUEW, CP, EEP/TU
Capital	Anti	-	CBI, EEF, IoD
Capital	Pro-Minority Report	Some	

Taking the position of Labour in favour, Jack Jones - then General Secretary of the TGWU and member of the Bullock Committee - wrote in his union's paper:

"We have 3 choices - we could bury our heads in the sand and reject these proposals, we could stand on the sidelines and criticise them, or we can take up the challenge they offer."<sup>69</sup>

The TGWU was, amongst the unions, the main supporter of the Majority Report:

"As the Bullock Committee argues, now is the time for action. The demand must be to make 1977 a year of real progress for industrial democracy. The Government should introduce a Bill as promised, this year, to provide for seats on the board of private companies along the lines of the Report."<sup>70</sup>

However, amongst the evidence presented by other sectors in the Labour movement, reservations were often expressed. These received little publicity - in comparison with objections from private industry - perhaps because, as Edmonds points out, only six unions submitted written evidence (apart from the TUC), whilst about 250 companies and industrial associations did so.<sup>71</sup> Many unions simply allowed the TUC to present their case, assuming it would represent their views.<sup>72</sup>

Some organizations which did present evidence from the Labour movement accepted the principle of worker directors, but called for caution.<sup>73</sup> APEX, for example, accepting the notion of supervisory boards, was concerned to ensure that the administration of company policy should also be democratic; it suggested the establishment of 50-50 representation on departmental councils "between the grass roots and the board room" to monitor policy implementation.<sup>74</sup> When the Bullock Report was published, APEX called it:

"... a great step forward towards the achievement of full democratic rights for all employees in British industry."

However, the General Secretary added the comment, amongst others, that:

"The JRC really does not get to grips with a central problem identified by APEX - that of monitoring and controlling the

implementation of board policies at lower levels. I believe that our proposed central committee, drawn from unions and management, is critical to the success of the restructuring of the board, and the JRC should, therefore, be strengthened to transform it into a joint negotiating body, with the union side still retaining its responsibilities for elections to the main board."<sup>75</sup>

The National Union of Bank Employees (NUBE; now the Banking, Insurance and Finance Union), on the other hand, submitted in its evidence that there should be employee representation on the unitary board - but not necessarily 50%; it also emphasised the need for representation on regional and local boards as well, rejecting size thresholds for such schemes to operate.<sup>76</sup> The IWC, again accepting the principle of board representation, noted in its evidence that for the proposals "to have any chance of acceptance among the more active trade unionists" four prerequisites were necessary: trade union single channel representation; worker directors should be subject to recall, and form part of a total structure of worker representation at different levels in the company; the introduction of worker directors should be linked to long-term planning agreements to ensure programmed pricing and investment policies; and company information must be disclosed to permit national economic planning through, for instance, the NEB.<sup>77</sup>

APEX, NUBE and the IWC, then, whilst accepting the notion of board level representation, all either stipulated before or commented on after the Bullock Report was published certain conditions for it to be worthwhile.

A very different approach was adopted by a sizeable proportion of the Labour movement: those who rejected the very principle itself.

The AUEW, for example, rejected "the view that there is a point

beyond which collective bargaining cannot develop."<sup>78</sup> It claimed that supervisory boards would not be able to oversee the management board; that they would themselves require supervision; that they would be diluted by lower and middle management representation so as to become useless; and that they would degenerate into management rubberstamps. It called instead for an extension of company level collective bargaining and the promotion of co-operatives. John (now Sir John) Boyd, General Secretary of the AUEW, pointed out elsewhere<sup>79</sup> that the AUEW (Construction Section), the GMWU and the EET/PU had all submitted resolutions to the 1974 Conference of the TUC rejecting the TUC's proposals on industrial democracy. And then, when the Bullock Report was published, Hugh Scanlon, then President of the AUEW, declared:

"We think that industrial democracy can best be strengthened by an extension of collective bargaining, to which we know no limit."<sup>80</sup>

The EET/PU took a similar line, and laid out in detail in its evidence to Bullock its objections to the notion of board level representation. These included "unnecessarily restrictive" terms of reference, preventing the Committee from considering the extension of collective bargaining, but centred in particular on the problem of incorporation:

"In a world where state power and management prerogative has become more concentrated, more pervasive and yet more remote from those who are affected by the exercise of those powers, the impression that worker directors represent the absorption of trade unions into this scenario of corporate elitism is even more perilous. It is vital for democracy itself that the traditional role of independent trade union power as a countervailing force should be maintained and strengthened."<sup>81</sup>

Blurred management responsibility; split union loyalties; constraints on the disclosure of confidential information; and disunity between unions caused during elections were all additional reasons advanced for opposition. Edmonds' point - that "the TUC misjudged the mood of the movement"<sup>82</sup> - has, then, more than just an element of truth. The central fear, that unions would lose independence, was never seriously analysed by the Committee, with the result that many unions remained hostile.

And not just unions, of course. Bert Ramelson, National Industrial Organiser of the Communist Party, had expressed the view in 1968 that:

"It is a dangerous pipe dream to believe that the appointment or election of workers' representatives, trade unionists, to various levels of management, whether by agreement or legislation, would result in workers' control so long as the property rights remain vested in the shareholders."<sup>83</sup>

In its evidence to the Bullock Committee, the Communist Party noted that the worker director scheme assumed the economics of private industry and so would not, in consequence lead to greater worker influence:

"Thus for example (in Germany) the decisions taken by the Supervisory Board of Volkswagen AG to reduce the workforce by 25,000 disarmed the workers. Indeed, it is because the workers of UCS (Upper Clyde Shipbuilders, in Scotland) rejected a somewhat similar proposal that they eventually changed Government thinking."<sup>84</sup>

The Communist Party proposed not only the extension of collective bargaining, allied to stronger union organization and maximum disclosure of information in the private sector, but also a public sector strengthened through worker representatives on single boards, accountable

to the industry and to the community as a whole through Parliament. The Communist Party's reaction to the Majority Report was, then, dismissive.<sup>85</sup>

The Labour Government itself moved cautiously. It was faced by a fragmented union movement and splits within its own ranks. The 'Manifesto Group' of Labour MPs issued its policy in May 1977 proposing parity representation on single boards but based on all employees - not just the unions.<sup>86</sup> The Prime Minister, James Callaghan, appointed an informal Cabinet Subcommittee to try to sort out the tangles and a White Paper was eventually published in May 1978.<sup>87</sup> It proposed that companies should be able to work out the details of industrial democracy schemes for themselves, but that legislation would provide "statutory fall-back rights" to employees and unions: legislation would compel companies with over 500 employees to discuss with them those policies affecting them; JRCs would have the right to discuss industrial strategy with their company boards and the right to require the company to ballot the work-force on whether they want board representation. Legislation would permit a two-tier board system, with up to a third employee representation on the "policy board", and none on the management board.<sup>88</sup>

However, the May 1979 election cut off its progress through Parliament.

Within the Labour movement, then, considerable splits were created by the debate on worker directors. With a long tradition of collective bargaining, the question was raised: could worker directors strengthen union influence at board level? If so, should they be introduced? On

the one hand, unions like the AUEW and the EET/PU felt that the presence of worker directors on the board would lead to an erosion of influence through incorporation. Collective bargaining should, therefore, be strengthened elsewhere, eventually to embrace those decisions taken previously at board level. On the other hand, a union like the TGWU felt that worker directors would lead to the extension of influence through the introduction of collective bargaining on to the board. Jack Jones wrote:

"We will only get this (real say on the important decisions of a company), when we have representatives on the board. In this sense, the Bullock proposals represent an extension and enlargement of collective bargaining and of the trade union's role."<sup>89</sup>

As we shall see, this was the major fear of management - as voiced, for instance, by the Institute of Directors:

"... the effect of these proposals (Majority Report) would be to bring the conflict of free collective bargaining right into the boardroom."<sup>90</sup>

The truth is that the question of worker directors was raised in a social vacuum. Far from being the result of drawn-out, social development as in other countries - as collective bargaining has been in Britain - the issue was presented suddenly, through a political and legal event: Britain's joining the EEC. There was little or no experience for anyone to use to assess the likely impact of the introduction in Britain of worker directors. Greater incorporation on the one hand and greater control on the other were equally matters for speculation, which many indulged in.<sup>91</sup>

The Bullock Committee itself was well aware that foreign industrial relations experience was of limited value as a guide to action in



Britain. As Davies put it:

"It is important not to expect comparative study of the institutions of other countries to yield easily transplantable models for use in one's own society."<sup>92</sup>

Such a point was not lost on the EET/PU in its evidence to Bullock, in which it maintained that specialist evidence from Europe had little bearing for Britain because "the industrial and trade union history in this country is entirely different."<sup>93</sup>

Indeed, British evidence on possible results of worker director schemes is very patchy. The most well-known scheme is undoubtedly that at British Steel.<sup>94</sup> However, worker directors had to relinquish union office, withdraw from branch meetings, and experienced problems over time-off. In addition, there were only one or two on each divisional board, and no attempt was made to help them overcome their split role - to the BSC and to the work-force - when faced with wide-scale redundancies in the industry. Indeed, as Barratt Brown points out:

"All of this reinforced the powerful socialising effect of board membership and directoral status."<sup>95</sup>

Another worker director scheme could be found in the public sector: the Post Office. Details of this experiment can be found elsewhere,<sup>96</sup> but with the Conservative Government elected in 1979, it was soon wound up.<sup>97</sup>

In private industry, there is also very little material. Most notably there are a series of studies carried out by Chell and Cox for the Worker Director Project at the University of Nottingham in the mid-1970s.<sup>98</sup> The researchers investigated seven private sector companies,

all of which had one form or other of employee board level representation: fifteen worker directors in all. The companies fell into three main categories: those with at least one highly organized union, a shop steward structure and a work-force committed to union values; those fairly highly unionised - but lacking a shop steward network; and those which had no union recognised for the purposes of collective bargaining.<sup>99</sup> The authors isolated a series of factors influencing the behaviour of worker directors in each category: the relative strength of trade unionism in the firm; the level of support from other participative bodies in the company, especially negotiating structures; the amount of training enjoyed; and the orientation of management to the scheme, classified as distributive, incorporative or cosmetic (cf. Pateman's three categories - p.165). These all formed constraints on worker directors' ability to shape decisions.<sup>100</sup> Chell herself concludes that the key element is what worker directors are expected to achieve, which implies a discussion of orientations towards them. She states, leaving aside the cosmetic view:

"If an incorporative view is espoused, then the expectation is merely that the board will be apprised of likely shop-floor reaction to various proposals, and can form its decisions accordingly. The worker director is there to serve the board, as such he is a tool of management and whose function is primarily for the successful running of the company (sic). If on the other hand a distributive line is taken, then what appears to be needed are worker directors who are experienced men, say within their own union or some outside organisation, who have already acquired the skills of handling financial and policy type information, but who would still benefit from some training."<sup>101</sup>

And which orientation predominates can be assessed from another one of the authors' conclusions:

"Perhaps of greatest significance was that in only one company did a worker director have any formal co-ordination with the collective bargaining structure, and in this case the individual concerned was at the head of that structure. In all the other companies the collective bargaining function was kept scrupulously distinct from the worker directorial role. In one case it was seen as a pragmatic advantage for all sides if this was achieved, in four others it was because management and/or the unions would not brook involvement by the worker director in bargaining issues; and in the case of the non-unionised company, the whole concept of collective bargaining is not truly applicable."<sup>102</sup>

Of the seven companies, two fell into the first category (highly unionised), both worker directors being in a union; four fell into the second category (not very unionised, no steward structure); and one into the third category (no unions). In the second and third categories, none of the worker directors were union members, and all of the schemes had been initiated by management. In none of the seven categories was there equal representation. An incorporative approach is clearly in evidence in all these examples, favoured by management as it retains control, though only a distributive approach is in the unions' interests, to link in with its collective bargaining activities elsewhere.

British experience, then, does not bear the weight of generalisation about what impact the Bullock proposals, if implemented, would have had on the conduct of industrial relations. Nevertheless, some indication of the support which the proposals enjoyed can be gauged from a survey carried out by Farnham and Pimlott in the South of England. One hundred middle managers, one hundred shop stewards and 42 full-time union officials were asked: what form should participation take in companies? The response rate was 86%, 50% and 55% respectively.

The answers are given in the following table:<sup>103</sup>

TABLE FOUR

What Form Should Participation Take in Companies?

	Managers %	Shop Stewards %	Full-time Officers %
More consultation with Employees	62	24	9
Worker Directors elected by all Employees	26	10	0
Worker Directors elected through union machinery	2	26	30
Extension of work- place collective bargaining	6	24	39
Worker ownership and control of companies	4	12	22
Non-responses	0	4	0

Managers' preference for joint consultation is clearly established. The findings bear out that management is concerned with worker directors only in a non-union, incorporative sense. However, the distributive orientation of especially the full-time officers is also well marked. As Farnham and Pimlott state:

"... different perceptions about the aims of participation and the forms which it might take were generally apparent between each group."<sup>104</sup>

Once again, this ties in with our discussion of perspectives in Chapters One and Two. Such a basic fear of the unions' approach led to bitter management hostility towards the Majority Report of Bullock.

(ii) Capital

The Conservative Party registered its opposition to the Majority Report from the beginning. The opposition spokesman on Employment, James Prior, declared a commitment to a voluntary approach, and to an examination of the unions' claim to constitute the sole machinery for board representation.<sup>105</sup> In anticipation of the Industrial Democracy White Paper, he stated again the Party's opposition to union channels of representation and parity on boards, and its support for consultation and communication.<sup>106</sup>

However, the detailed critique of board representation in general, and to the Majority Report in particular, was left to organized management circles. Indeed, it has been alleged that the Bullock Report was designed to answer management's fears about the redistribution of control rather than union's fears about incorporation,<sup>107</sup> and it is true that much of management's evidence to the Committee objected strongly to its very terms of reference. The British Institute of Management considered them "biased" in accepting the need to extend industrial democracy through employee directors.<sup>108</sup> The Engineering Employers' Federation (EEF) spent the first nine paragraphs of its evidence expanding on its opposition to "enforced representation of employees on boards of directors"; "the appointment of employee directors as nominees of trade unions"; and the relevance of "experience in the EEC and other countries" - amongst other points.<sup>109</sup> Similarly,

the Stock Exchange called the terms of reference "totally misguided". It objected to trade union influence at board level and to an alleged confusion between "control" and "participation", control in industry being "inseparable from the right of property ..."<sup>110</sup>

These objections are explained through the unitary perspective which inspired many of the assumptions in management's evidence.

According to the EEF, for instance:

"'Political democracy' and 'industrial democracy' are not, as the Majority suggests, equivalent concepts. Universal political suffrage is necessary to control the unlimited power of the state. By contrast, the scope of industry's functions is limited to the production of goods and services at a profit, and the state itself closely controls the way in which industry discharges its functions."<sup>111</sup>

Such a view is supported by the belief of the Stock Exchange that employees and directors are already of equal status:

"... there appears to underlie the terms of reference an assumption that employees are in some sense separate from directors of companies. Much of the folklore of industrial relations is concerned with 'workers' and 'management' ... but it cannot be too strongly emphasised that executive directors and senior managers of companies are employees of the company as much as are workers on shop floors or in offices. Company law is, and should remain, concerned with relationships between the company on the one hand and its creditors and shareholders on the other. It should not be concerned with relationships between different groups of employees."<sup>112</sup>

Indeed, taking this perspective one stage further, the Institute of Directors - after objecting once more to the Committee's terms of reference - considers that:

"At the heart of much of the pressure for 'industrial democracy' is a simple quest for power. The emotional appeal of this otherwise meaningless concept is a potent weapon in the hands of unscrupulous individuals or organisations,"

who appeal to "the envy inherent in every man".<sup>113</sup> As a result, union appointed worker directors would lead to the following position:

"Trade union officials, who have neither the responsibility, skills, nor commitment, would gain power over the affairs of the enterprise system while the management who bear the responsibility and possess the skills, would find their power further diminished."<sup>114</sup>

Indeed, the Institution of Works Managers also declared that political pressure for union influence in companies should be kept apart from "the best way to run a company". Its own explanations for pressures favouring industrial democracy included the effects of the 1944 Education Act, and hence a "better educated population" as well as:

"... a general malaise throughout society of a lack of respect for authority, a fact that right through school the emphasis is upon the questioning of authority and indeed the school population have seen their teachers siding with them against the downward decisions."<sup>115</sup>

The picture of management assumptions in evidence to Bullock, then, emerges. It consists of the following beliefs:

- (1) the role of industry is solely to produce goods and services;
- (2) the balance of power in industry is already equal;
- (3) politics must be kept out of industry; and
- (4) only trade unionists with subversive motives are eager to extend their power to board level.

The fears of management towards the Bullock proposals were summed up by Jan Hildreth, Director General of the Institute of Directors:

"The Bullock Committee's proposals are irrelevant, dangerous and have about as much justification as the

Emperor Caligula's idea of making his horse a consul."<sup>116</sup>

In more straightforward language, the Chemical Industries Association declared, after the publication of the Bullock Report:

"The British Chemical Industry is highly successful. It is a major success in the UK industrial scene. It is a success in penetrating world markets in face of fierce competition. We want it to stay this way. In consequence we view the Bullock recommendations with dismay, and indeed anger. They threaten this success."<sup>117</sup>

So it was that organized management opinion was either opposed to any worker directors at board level - because "even one such member can be the controlling director if the votes of the other directors are evenly divided"<sup>118</sup> - or else it imposed so many limitations on their organization and behaviour that their presence would have had no bearing at all on the mediation of control at board level. Such an orientation is, in Chell's phrase, incorporative or cosmetic. Many employers' organizations were specifically unsympathetic to "the three key principles behind the majority Bullock Report:

- . The imposition by law of trades union nominated directors on to company boards.
- . Parity of representation between shareholder elected and employee or trades union nominated directors.
- . The monopoly given to the trades unions to choose worker directors."<sup>119</sup>

If these three principles were relaxed, then it was felt that experiments could proceed.

First, employers' organizations often stressed the need for a "voluntary" approach to the question of board representation in line with the CBI.<sup>120</sup>



Secondly, they often claimed to have no objection to employee representation on the board in itself:

" ... in our member companies there are endless examples of responsible board members who have worked their way up the ladder from the shop floor. We have always been wholly in favour of this system of progression by ability and long may it continue."<sup>121</sup>

The principle of parity was the perceived problem, which was not solved by the Majority Report's proposals for a 'Y' factor of independent, co-opted directors on the board. The EEF, for instance, outlined the difficulties implicit in such a proposal: it restricts the number of board places for "competent managers"; the 'Y' directors would have their own allegiances and prejudices with one side or the other; there is unlikely to be such a supply of people with sufficient experience to act as the 'Y' factor - and the two 'X' groups may simply not be able to agree on the 'Y'. These complications would be compounded in holding companies, subsidiaries and the subsidiaries of multi-national companies. None of this would arise, however, continued the EEF:

" ... if the Majority had not committed themselves to the damaging principle of parity as between shareholder and employee directors."<sup>122</sup>

Thirdly, equally importantly, employers' organizations felt that all employees - not just trade unions - should be represented on boards. For example:

"The policy of NFBTE is one of complete opposition to any attempt to impose by law trade union-nominated directors on Company Boards. We also reject the concept that a monopoly be given to trade unions alone to choose employee appointed directors."<sup>123</sup>

The brunt of the constructive side to employers' proposals fell

on improving participation below board-level. One common suggestion was to strengthen joint consultation.<sup>124</sup> The Minority Report echoed this view, to ensure that participative "substructures" should lead to "constructive co-operation" of all employees in the success of the enterprise.<sup>125</sup>

The CBI itself recommended Participation Agreements for companies with over 2,000 employees. The main thrust of such agreements would have been:

"to promote understanding by all employees that their contribution to the enterprise results in the creation of wealth for the community at large, and thus to higher living standards and job security."<sup>126</sup>

Communications and consultation were the methods, but they were to:

"begin at shop floor or office level, and must cover all employees, including managers."<sup>127</sup>

Though these Participation Agreements were to be voluntary, a novelty was that new legislation should stipulate the aims and structure of the Agreement. A company should be allowed four years from the passing of the new law during which time an agreement, once negotiated, would be validated only by a majority of employees voting in a secret ballot. If after four years no agreement had been reached, either the employers or employees could refer the matter to a tribunal:

"If the tribunal thought the case well-founded, it would be referred to a new special agency, under tripartite management, for arbitration. The company would have to operate the arbitrated agreement imposed by the new agency."<sup>128</sup>

Parliamentary approval would be required to establish participation

agreements in companies with between 500 and 2,000 employees; in companies with below 500, Company Councils were envisaged - basically a form of works council at company level. A number of employers' organizations accepted these proposals,<sup>129</sup> though none of them were to be implemented. The White Paper on Industrial Democracy was published in May 1978 but no legislation was enacted on the issue before the May 1979 election at which Margaret Thatcher became the new Conservative Prime Minister.

### Direct Control from 1979

In the Conservative Party Manifesto for the election, Chapter Two was devoted to industrial relations under the title: "Restoring the Balance". The Conservatives' view of industrial democracy read:

"Too often trade unions are dominated by a handful of extremists who do not reflect the common-sense views of most union members ....

"We welcome closer involvement of workers, whether trade unionists or not, in the decisions that affect them at their place of work. It would be wrong to impose by law a system of participation in every company. It would be equally wrong to use the pretext of encouraging genuine worker involvement in order simply to increase union power or facilitate union control of pension funds."<sup>130</sup>

This passage highlights, first, once again the Conservatives' unitary perspective on industrial relations, and secondly, the determination to maintain the existing "frontier of control" - and indeed to roll it back in management's favour.

The new Government's efforts in this area have lain chiefly in obtaining legislation to secure trade union reform. The three areas singled out in the Manifesto were the right to picket, the closed shop

and the provision of public funds for union elections. The Government did not attempt to repeal what the Manifesto had called Labour's "militants' charter"<sup>131</sup> - including TULRA and the EPA - but instead published 'Working Papers' in July 1979 to set out its attitudes towards legislation on union reforms covering the same three areas as outlined in the Manifesto.<sup>132</sup> After an analysis of the proposed legislation, Lewis et al. concluded that it was unacceptable because, like the Industrial Relations Act, it depended on legal review and a unitarist philosophy out of keeping with genuine industrial relations solutions.<sup>133</sup>

Nevertheless, the Employment Bill was published in December 1979 - provoking a hostile response from the TUC<sup>134</sup> - and became enacted the following summer.<sup>135</sup> In February 1981, a Green Paper invited comments on further possible union reforms including the introduction of positive rights for unions to replace immunities, the legal enforcement of collective agreements, secret ballots prior to industrial action, as well as further measures on picketing and the closed shop.<sup>136</sup>

Because these proposals were put forward in the context of severe cuts in public expenditure, cash limits on public pay awards, denationalisation of certain industrial sectors and rapidly accelerating unemployment, many Labour leaders believed that government policy was deliberately designed to create unemployment to undermine union influence still more.<sup>137</sup> Whether deliberate or not, Pat Lowry, the Chairman of ACAS, maintained in his first report that:

"Managements ... (have) used the shift in the balance of power caused by the current economic recession to disregard agreed procedures."<sup>138</sup>

Yet some quarters in government and business still felt that not enough was being done to press home the advantage over the unions. Senior officials of the Prime Minister's policy unit met business representatives who were urging a co-ordinated demand for new laws,<sup>139</sup> and towards the end of 1981 James Prior was replaced as Employment Secretary by Norman Tebbit who was generally considered a 'hard-liner' on employment law. By November, his proposals for legislation were introduced in Parliament: they included punitive levels of cash compensation for workers dismissed for refusing to join a union; the requirement that existing closed shops should be regularly re-approved by a high percentage of their members; the abolition of labour-only clauses from commercial contracts; and limiting the definition of trades disputes to cover only those between workers and their own employer, thereby making unions liable to pay damages out of their own funds in cases of 'unlawful secondary action'.<sup>140</sup>

"The Bill is commonly seen as cunningly cast because, unlike the Industrial Relations Act, it relies not upon new creations like the Industrial Relations Court, but upon ordinary courts of law. It also relies heavily on ... the employers."<sup>141</sup>

In such a climate, it should be clear from our present analysis that industrial democracy is an irrelevance: the 1979-82 period falls squarely into the management approach defined by Friedman as "direct control".<sup>142</sup> Relying principally on the non-observable aspects of power - the division of labour, the mobility of capital and particularly property relations and the existing legal framework - management has exerted direct control over labour through the recession and has not required consensual justification for its behaviour. It appeals chiefly to 'economic realities' and 'falling profitability' as the

background to rolling back the frontier of control in its favour.<sup>143</sup>

In the last two chapters we have analysed the relationship between different forms of industrial democracy and the ways in which varying interest groups use them to maintain or encroach advantages.

The development of industrial democracy has been anything but even. Upturns in the economy have tended to favour labour, whilst downturns have permitted capital to retrench on positions of authority, relying on a Gramscian "war of position" strategy to ensure the connivance of labour. The perceived threat to industrial relations stability has come primarily through the unions' interest in the observable aspects of power operating within the structural constraints of the non-observable aspects.

In Part IV, however, we turn to examine more carefully the impact of organized labour on these non-observable aspects. In particular, we look at the 'social action' dimension of industrial democracy - that is, how union activists manage to interpret their work environment in such a way to allow them to change it in as radical a way as possible; or put another way, how they manage to operate within the structure of industry to encroach on the frontier of control by developing coherent, radical strategies to further their aims. In the next chapter we look at unions' involvement at the trustee board level of pension funds, whilst in the following two chapters we turn to work-ins, social audits, co-operatives and alternative corporate plans.

#### P A R T   F O U R

"A great deal of industrial labour will inevitably remain repetitive, and can never have anything better than a very low level of choice-making initiative built into it. Moreover (though it is unfashionable to mention the fact), many of those engaged in it are incapable of initiative, and many are too stupid to do anything but a simple and repeated task."

Bernard Levin, "The ludicrous case of the incontinent cat", the Times, 19 Dec. 1975, p.14.

"Most people, I believe, would agree that this country's situation would be very different if we could draw out more initiative, create a greater sense of commitment and tap more of the unused potential of those who are employed in our manufacturing and service industries."

Lord Bullock, Preface to John Elliott, Conflict or Co-operation? The Growth of Industrial Democracy (London: Kogan Page, 1978), p.(x).

CHAPTER NINE

In Part III, we have painted a picture of industrial democracy with fairly broad strokes. We have illustrated the opportunistic ways in which unions and employers have espoused those forms of industrial democracy - by level, subject area and degree of influence - which have most efficiently favoured their interests at the frontier of control, or in the observable aspects of power, within given economic and industrial relations frameworks.

In Part IV, however, we shift our focus on to a closer examination of these frameworks themselves - that is, the non-observable aspects of power. In particular, we try to show how, although they ultimately constrain the freedom of action of organized labour, frameworks such as the 'market economy', the 'rights of private property' and 'managerial prerogative' are themselves open to questioning and attack under certain circumstances even in an advanced, neo-capitalist society. It is just a question of specifying what these circumstances are. In this chapter we begin by investigating the role of union trustees on the board of two large pension funds and how they have attempted to radicalise union policy towards the funds - both the operation of the financial markets and management structure have hindered these attempts. Yet in the following two Chapters - Ten and Eleven - we shall see how organized labour has managed on occasions to challenge and politicise a variety of these constraining frameworks.



### Historical Background on Pension Funds

In order to understand the significance of the debate surrounding occupational pension funds it is important to grasp that there are two methods used in Britain for financing pensions. One, the method used in the 1946 State scheme based on the Beveridge Report<sup>1</sup> and in all State schemes since, operates on a pay-as-you-go basis. Pensions are financed through the compulsory contributions paid by current wage and salary earners. The second method used to finance pensions is the occupational pension fund (OPF). Members of such a fund contribute regularly into it and these contributions are then invested. The income generated from these investments provides members' future pensions. A full background to the provision of pensions in Britain can be found elsewhere,<sup>2</sup> but it is relevant to point out here that private arrangements designed to supplement the subsistence 1946 State scheme led to the gradual development of OPFs. Not only did they help employers to retain labour as pension rights were - and are - rarely fully transferable, but as a TUC Guide points out, the State scheme began to disintegrate in the 1950s: the population over pensionable age was rising as a percentage of the whole; pensioners often had to claim supplementary benefits as the basic pension was so low; and flat-rate contributions hit the lower-paid particularly unfairly.<sup>3</sup>

From 1957 a series of proposals and counter-proposals was set out to remedy these deficiencies, each Plan concerning itself in one way or another with the two central problems of pension provision:

- (i) the merits of State v. private scheme;

(ii) the method of financing - pay-as-you-go v. funding.

The interest of the unions today in pensions is largely the result of the 1970-4 Conservative Government in general and the Joseph Plan in particular. Stage Two of the Government's pay code deliberately excluded pensions improvements from pay limits in order to stimulate union negotiations in pension benefits as envisaged by the Joseph Plan. This Plan laid down a State Reserve Scheme to supplement the basic State scheme, but at the same time emphasised the importance of private occupational schemes. These had to observe certain minimum standards to become recognised by the Government and so provided unions with a collective bargaining 'lever' into benefit negotiations.

Since April 1978, the organization and payment of pensions has been established by the Social Security Pensions Act 1975 (the Castle Plan). This provides a basic state pension and an additional, earnings related pension provided either by the State ('contracting in') or by a private occupational pension scheme ('contracting out'). There are several major differences between the Joseph and the Castle Plans, the most important ones for our purposes being that the Castle Plan stipulates that the unions must be consulted over a company's decision to 'contract out' and that the Occupational Pensions Board (OPB) must observe strict criteria before allowing a scheme actually to do so.

The current system, then, represents a compromise between State/private involvement and pay-as-you-go/funding as methods of financing. All the major parties to the debate appear now to have accepted the terms of this compromise, and one commentator has said:

" ... (as) far as can be reasonably assessed, therefore, the Castle Plan is to be the basis upon which pensions will develop in the United Kingdom for the remainder of the century."<sup>4</sup>

These arrangements raise, broadly speaking, three issues for the trade unions. The first is how to make best use of the new area of collective bargaining presented by the emergence of OPFs: pensions benefits. This area is now quite well covered as most of the union-oriented literature on pensions has been concerned with it.<sup>5</sup> The other two areas, however, are more complex as they involve the investment power of OPFs.

#### Occupational Pension Funds and Investment

OPFs represent problems of both long-term and short/medium-term strategy for unions. The long-term problem concerns whether the entire funding system is to the unions' advantage or not.<sup>6</sup> By 1979, the Government actuary estimated that the total assets of British OPFs exceeded £50 billion and that they were growing at a rate of £8 billion a year.<sup>7</sup> This represents a massive accumulation of deferred wages which can be tapped by the major companies, the City and the Stockmarket as a source of capital for industry. However, these funds are invariably drawn into areas defined as 'safe' by the City - for example, gilts and the forty or so 'slumbering giants' of private industry. So, whilst OPFs are largely the result of employees' contributions, they offer labour little or nothing in return by way of job creation, secure employment or the promotion of socially desirable investment. There are, then, powerful arguments for abolishing OPFs as a long-term strategy in favour of a good, equitable State-run pension scheme

financed on a pay-as-you-go basis.

However, all this leaves unions with a short-term problem: since OPFs do exist and are operating, what strategy should unions adopt towards them now? What aims should unions hope to achieve in developing OPF investment policies? How should union trustees attempt to implement such policies? Or should investment criteria be laid down by City 'experts' alone? Unions have paid comparatively little attention to these questions,<sup>8</sup> and the intention of this chapter is twofold: first, to show how the development of independent union policy on fund investment is constrained by the functioning of the well-established financial interests of British industry; and second, to analyse how certain trade unionists have, nevertheless, attempted to overcome some of the problems associated with promoting such an independent policy. The sheer scale of the difficulties involved can be illustrated by outlining in global terms how OPFs are managed.

### The Management of OPFs<sup>9</sup>

A distinction to be made when analysing OPFs is between those which are internally managed (when investments are controlled totally by the company or local authority whose fund is in question) and those which are externally managed (when investments are made on behalf of the OPF by insurance companies, merchant banks and/or stockbrokers).

In 1978, about £10 billion of total OPF assets - at that time, an estimated third - were managed internally. However only forty OPFs account for this figure - the largest ones. It appears that the large OPFs prefer their administration and monitoring not to be subject

to outside influences, pressures and costs. Amongst the forty were the OPFs of private companies like ICI (worth, in 1978, £694m.) and Lucas (£209m.); nationalised industries like the NCB (£1,439m.); and local authorities like the GLC (£220m.).<sup>10</sup>

In the same year, 1978, £17 billion of the funds' assets (that is, around two-thirds) were administered externally. When an insurance company is responsible, it determines investment policy for the OPF whose funds 'disappear' into its other assets, though it will give its client options between an 'equity fund', a 'fixed interest fund', a 'mixed fund' and so on. The Legal and General Assurance Company had a business managing OPF assets worth £1 billion in 1978. Whilst the insurance companies tend to administer the smaller OPFs, the merchant banks tend to specialise in the larger ones. They offer a wider range of investment portfolios; in 1978, Hill Samuel managed £1.8 billion of OPF assets. Stockbrokers are involved mainly in the administration of local authority funds.

The most striking aspect of these arrangements - apart from their sheer size - is that the control of OPFs is concentrated into very few hands. Of the total value of externally managed funds (£17 billion), about £13 billion are - according to Minns<sup>11</sup> - administered by a mere 24 institutions, principally merchant banks. The remaining £4 billion are managed by a further 80 banks, insurance companies and stockbrokers.

Then, whilst the £10 billion of internally managed funds are directed by the company, corporation or local authority, on most, the financial institutions are represented either as trustees or advisors. For example, trustees of the ICI OPF include a Director of Commercial

Union, and a Director of both Sun Life and General Accident. A representative of Hill Samuel sits on the investment advisory committee of the Lucas pension funds.

This description of OPF management shows how its structure serves a fairly cohesive elite of financial managers who are able to dispose of vast sums of assets on behalf of their clients. From the unions' point of view, the use made of these assets is critical and the two original questions emerge again: how does the structural dimension of OPF management constrain the development of union policy, and how may unions attempt to overcome it?

#### Lucas Staff and Works Pension Funds

We shall analyse these questions in the specific contexts of the Lucas Staff Pension Fund (worth about £200m. in 1980) and the Lucas Works Pension Fund (£95m. in 1980).<sup>12</sup>

The Staff Pension Fund (SPF) at Lucas Industries Ltd. was set up in 1928 but there was no employee representation on it till after the war, when management appointed worker representatives as trustees. The most recent stage of its history - characterised by union involvement - did not begin until the early 1970s. The staff unions, finding that their questions at the SPF ordinary general meetings frequently overlapped, began talks on how to establish a joint consultative committee to discuss pensions. These talks were consolidated by the Social Security Pensions Act, 1975, of which Part III stipulates that companies can contract out of the State scheme - as Lucas did - only if they have consulted the independent, recognised

unions representing contributors on the setting up of the OPF. As a result, the Lucas SPF Consultative Committee was established in June 1975.

The history of the Works Pension Fund (WPF) also falls into two stages: from 1937 when it was founded until the early 1970s, and from then (when union involvement began) until the present. During the first period, worker trustees were appointed by management. It was originally designed just to cover a small, flat-rate pension and funeral expenses, but by 1973 pressure had mounted to form a National Pensions Committee to consult and negotiate with management on pensions issues. The five Lucas divisions - Aerospace, Electricals, C.A.V., Girling and a miscellaneous grouping - were divided into 15 areas, each one to choose in its own way a delegate for the Pensions Committee. The union side of this Committee drew up a constitution in 1975/6 and has managed to improve considerably benefits for their members.

The role of both the SPF Consultative Committee and the WPF Pensions Committee, however, extends beyond consultation over benefits. Their relationship to the union trustees on the boards of the SPF and the WPF themselves is a crucial element in union involvement in pensions investments.

(1) The Structure of Union Involvement in the Staff and Works Pension Funds

(i) Staff Pension Fund

The board of Lucas Staff Pensions Trust Ltd. meets at least twice a year. Its members include four trustees from Lucas Industries Ltd. (the principal company) and three union trustees. Each union trustee

is nominated by one of the three staff unions at Lucas: APEX, ASTMS and TASS. Of the approximately 20,000 staff employees at Lucas Industries Ltd., about 7,000 are in APEX, a similar number is divided between ASTMS and TASS, and another 3,000 are in smaller unions. The remainder (15%) are not unionised. However, the whole staff elects each trustee for a renewable three-year term. Each year, one trustee comes up for re-election, and each union supports the others' nominees.

The SPF Consultative Committee also has a management and a union side. Four of its members are appointed by management, one of whom is chairman and another, secretary, of the Committee. On the union side there are nine members. Each of the three staff unions - APEX, ASTMS and TASS - have their own national negotiating committee (NNC) to deal with company level matters; each NNC makes three appointments to the SPF Consultative Committee, which meets at least three times a year.

Trustees on the SPF are not accountable to the Consultative Committee as they are elected separately, but the Consultative Committee itself reports back to the NNCs of each of the staff unions. (The union side of the Consultative Committee, joined by negotiators from the NNCs, acts as the body which negotiates with management over pensions benefits.)

(ii) Works Pension Fund

Like the SPF, there are four management members of the WPF and three union trustees: two AUEW and one GMWU. However, unlike their staff counterparts, the works trustees are not elected directly by their membership, but are appointed by the WPF Pensions Committee (which



we shall call the Consultative Committee in line with the staff side).

At both trustee board level and at Consultative Committee level, the WPF provides interesting comparisons with the SPF.

First, the membership of the Consultative Committee consists of 15 delegates, as we have seen. Management does not form an integral part of this committee, which works also on negotiating benefits without the need for involvement from outside union negotiators. It therefore allows joint union negotiating platforms to develop at company level on pensions (the only subject in which this has occurred). The SPF Consultative Committee - with its chairman and secretary appointed by management - lacks this cohesion.

Second, on the staff side, the three union trustees are identifiable through their union membership: APEX, ASTMS or TASS. Union membership amongst union trustees on the WPF, on the other hand, is more diffuse. Since each of the 15 works areas chooses its delegate to the Consultative Committee as it decides fit there is a joint union approach there which tends to transcend individual union membership. This diffusion carries on to the WPF Board since the trustees are not elected to represent individual unions.

Third, then, the WPF trustees are elected by the 15 Consultative Committee delegates and a condition of being a trustee is to be on the Consultative Committee, which ensures a measure of report-back.

The organization of union representation, then, on the SPF and the WPF varies widely. The structure of the WPF would appear to permit greater democratic control of union policy than the SPF. Members of

the SPF agreed that this was true with respect to benefits, over which the WPF has 'caught up' with the SPF in recent years. However, with respect to investments, union trustees and the Consultative Committees have proved almost incapable of exerting control .... The next section deals with explanations for the unions' lack of success in making the same headway on investment policy as they have - especially the blue-collar unions - on benefits.

## (2) Unions' Lack of Influence on Investment Policy

### (i) Union Policy

Of all the unions represented on either the SPF or WPF, only APEX has drawn up guidelines on investment policy. Roy Grantham, the General Secretary, wrote in 1978:

"Funds can back expansion plans by sharing in the underwriting of a company's rights issue. This is a means used by companies of raising capital by offering new shares for purchase at below their market value to existing shareholders. In addition, funds can buy their full rights issue entitlement, and any not allocated.

"Funds can offer to purchase companies' unissued shares, which could be retained or sold on the market.

"Finally, companies can be assisted by their pension fund taking over some or all of its freehold property. The pension fund can also acquire a new site for the company. In either case, this would release more capital for expansion."<sup>13</sup>

This policy does provide a broad set of guidelines for SPF trustees, but two questions emerge. First, how good is APEX policy? The merits of its main impact - for funds to buy into their principal company's shares - are too complex to be analysed here, though such a policy does clearly risk the charges of insider dealing.<sup>14</sup> The second point, however, is how far can such a union policy help trustees? Major issues

are not touched - for example, the role and accountability of trustees, the flow of information to the union on the trusts' investments, and how to prepare alternative investment guidelines. On these issues, individual union trustees are left to develop strategy (or not) as they see fit.

(ii) The Functioning of Trustees

Despite the greater accountability enjoyed by WPF trustees to their Consultative Committee, the APEX trustee and one of the AUEW trustees both agreed that further improvements to the unions' involvement in the pension funds could be made. These included agenda meetings by union trustees prior to board meetings; the mandating of union trustees on known issues and the not allowing of commitments on other issues till after report-back; the formulation of joint-union policies on investment strategies; and the use of the funds' proxy votes to intervene at the Annual General Meetings of companies in which voting shares are owned.

Whilst these improvements were generally considered potential union campaign issues, another one was not. This consisted of the possibility of establishing OPF 'consortia' - the co-ordination of union trustees' policy towards individual companies. This task was considered too great for several reasons. Although union trustees receive all information about the SPF and the WPF, they are strictly bound by confidentiality, and are not permitted to take papers out of board meetings. This applies to, for example, investment portfolio breakdowns, which show how much fund money is invested in which companies. So whilst union trustees are never refused information,

their use of it is severely restricted.

But in addition, the duties of a pension fund trustee are defined in such a way as to exclude any conflict of interest between union and management representatives.<sup>15</sup> In other words, the interests of the fund as a financial institution come first because this is the way - so orthodoxy maintains<sup>16</sup> - to serve the interests of the pension fund most efficiently: the greater the value of the fund, the better are the benefits payable. This has the effect of equating the members' interests with 'the best rate of return on capital'. Many unions accept this point of view if only implicitly, with the result that certain important issues are never raised, such as alternative investments in venture capital projects or small companies, and co-operatives.<sup>17</sup> This is an example of the way in which the structure of the market itself restricts the range of policy options apparently available to a union. The relationship between better benefits and the maximisation of the OPF's value is presented as a common-sense reality: in the unions' lack of willingness to forward a more radical policy towards the OPF, the market structure comes to be present on the shop-floor. Before analysing the alternative approaches which are being developed by some trustees, we need to investigate more fully how the management side of the OPFs' operations is able to exert the non-observable aspects of power.

### (3) The Structure of Management Involvement in the Staff and Works Pension Funds

Management involvement in the Lucas OPFs takes two forms: one direct, through the Investment Department and Investment Advisory Committee, and the other indirect, through its general role in financial markets.

(i) Direct Involvement

The administration of the OPFs on a daily basis is carried out by four staff at the Investment Department located at the principal company's London HQ. It operates under guidelines adopted by the trustees but which are recommended by the Investment Advisory Committee (IAC) which plays the central role in the management of the funds.

Only trustees have the legal right to create OPF policy, but their deliberations - in the case of Lucas - are strongly influenced by the IAC which gathers one month before the trustees' six-monthly meetings. The membership of the IAC includes the financial director of the principal company as well as representatives from two Merchant Banks and one union trustee from both the SPF and WPF.

However, the influence of the union trustees on the IAC is severely limited. Since they attend IAC meetings on a rota, continuity between meetings is lost. Though all information relating to the IAC agenda is circulated to all six union trustees, it must be handed back. An attempt by the APEX trustee to allow all union trustees to attend all IACs and to allow representatives from the Consultative Committees to attend as well has been consistently rejected by the SPF board. As things stand, whilst the trustees make decisions on investment policy, the IAC provides advice on how it should operate, in particular on investment ratios over the subsequent six months (fixed interest assets/shares/property) and on the approved list of companies for investment by the Investment Department. The union trustees find it difficult to assess the soundness of this advice; indeed their attendance at IACs has been patchy, to some extent because certain amongst them feel out

of place.

Another problem for union influence is that the Investment Department - in regular consultation with the financial director - has licence within the broad guidelines to invest how it will on a day to day basis.<sup>18</sup> Only once every six months at an IAC or SPF/WPF Board meeting can a union trustee raise questions on the detail.

It is clear, then, that union trustees work in a vacuum on the IAC. On the SPF, they have no structural relationship with the Consultative Committee, which in turn has no structural relationship to the IAC; indeed, members of the Consultative Committee are entitled to no more information about the SPF than any other contributor. Whilst the WPF union trustee reports back to his Consultative Committee, again, the latter has no formal relationship to the IAC. Though ordinary contributors to the SPF and the WPF are circulated with newsletters, there is no pressure on the shop-floor to demand changes to the IAC. "Nobody ever went on strike over pensions" was the laconic comment of a member of the WPF Consultative Committee.

#### (ii) Indirect Involvement

In broad terms, investment managers - whether involved directly or indirectly in OPF administration - have two roles, similar to the ones outlined by Child (p.6): technical and legitimising.

First, under the periodic eye of the trustees, the staff in the Investment Department every day carries out a series of 'technical' operations: buying, selling, monitoring and administering the large sums of money represented in the SPF and the WPF. This is done within

the framework of the "broad guidelines" recommended by the IAC and adopted by the trustees. The membership of the IAC - with external advisors - is designed to reflect financial experience within the same mould as the Investment Department.

Second, however, both the Investment Department and the IAC have a legitimising or ideological role. Both the non-disclosure of information (for example to the Consultative Committees) and the selective disclosure of information (till recently, union trustees not attending the IAC were not circulated an agenda or minutes) betray a concern for confidentiality which itself has several functions: the creation of an accountability only in name to the union trustees, who lack the professional mystique; and more importantly, the prevention of questions being raised on the role of these funds in the economy. The conservative, well-worn-in view of the world which runs through much of the financial advice - especially concentration on the forty top companies and the gilts market - smothers development of alternatives.

Although the current SPF and WPF Trust Deeds allow the trustees to invest in virtually anything, their role in fact is limited to drawing up guidelines and approving companies under the eye of the IAC. This approach allows the trustees insufficient control over the funds in times of rapidly changing circumstances. Trustees in effect delegate rights of control to the Investment Department whose decisions are later rubberstamped by the IAC. The union trustees lack time and resources to present a detailed critique of the Investment Department's activities over six months and feel that their main hope lies in imposing further restrictions on OPF investments on the one hand and campaigning for

more radical approaches towards OPF investments on the other.

#### (4) Alternative Union Policies towards OPF Investments

From the point of view of restrictions on investments, some trustees consider that a variety of criteria could be drawn up. These might include:

- social considerations: preventing direct investment in countries like South Africa (a policy operated by the National Water Council OPF<sup>19</sup>);

- foreign investments: imposing a limit on the percentage of direct investments abroad in order to try and prevent further under-investment in Britain;

- property: again, imposing a limit on the percentage of investment in either property as such or property investment bonds in order to try and prevent speculation and the steady rise in land prices;

- self-investment: although investment by the OPFs in the principal company has been defended as a buffer against take-overs, the unions have been wary of possible charges of insider-dealing were anything serious to happen to the company, and so have tried progressively to reduce the percentage of funds so held.

However, all these restrictions are just that: restrictions, or a negative response to OPFs, operating within the terms of their present structure. In the final part of this chapter we examine how some union activists have attempted to advance more positive and radical alternative policies under four headings: organization, union co-operation, training and alternative investment guidelines.



(i) Organization

In 1976, a Labour Party White Paper proposed that representative unions should have the right to appoint at least 50% of OPF trustees.<sup>20</sup> As things are, only about half the OPF boards in Britain contain member trustees, and in three-quarters of those that do the employer makes the nomination.<sup>21</sup> The union trustees at Lucas would like 50:50 representation on the OPF boards, with the union trustees accountable to and mandated by their Consultative Committees. In addition, such trustees should - they consider - have a background of union activity.<sup>22</sup> Full disclosure of fund information should also be made to those engaged in fund activities, and advice be made available to them, independent of the City, to enable more efficient monitoring of investment performance.

(ii) Union Co-operation

Benefits are one of the few areas in which inter-union, company-wide bargaining takes place. Building on this, unions should support each other's candidates in elections to the board, and attempt two further steps towards co-ordination. First, they might co-ordinate their trustees to implement union policy. In 1979, for example, ASTMS sent a circular to all ASTMS trustees urging them not to purchase assets of those public sector companies being de-nationalised by the Conservative Government.<sup>23</sup> And second, policy towards individual companies could be co-ordinated. Unions could draw attention to those companies with poor labour relations, for example, by attending their AGMs and making public statements. Such a possibility has been advocated in the USA by Lane Kirkland, leader of the AFL-CIO.<sup>24</sup>

(iii) Training

A criticism expressed of courses run by the National Association of Pension Funds, the Metropolitan Pensions Association and the Financial Times was that they were less training than socialising procedures, designed to initiate trade unionists into the ways of the City. It was felt that all union members concerned with pensions - not just trustees - should be covered by independently run courses. They should include both technical subjects (such as OPFs' legal requirements to disclose certain sorts of information, an understanding of actuarial evaluations of OPFs and so on) and political subjects, such as the role of the trustee in democratising OPFs, and their significance in the economy. Independent advisors, such as union officials and academics, should be on hand to provide specialist services to union trustees.

All these proposals - on organization, co-operation and training - relate to the union activists' concern to enhance their influence over OPFs. It is not difficult to envisage that the 'frontier of control' - in the right circumstances - could be moved in their favour at a future date. However, the most awkward question of all remains: how can funds actually be invested to ensure both the best rates of return and their social responsibility? In other words, even if the unions controlled the observable apparatus of OPFs - the organization, the policy-making bodies and the training courses - what difference could this make within the context of a market economy and the non-observable aspects of power?

(iv) Alternative Investment Guidelines

The noticeable trend amongst OPFs in the private sector is that their funds have become increasingly concentrated in the largest companies: in 1972, OPFs in the private sector held 74% of their funds in companies with assets worth over £40m., a figure which has risen to 83.4% by 1977.<sup>25</sup>

Investment managers, keen to preserve their jobs, need to ensure the 'best rate of return' for their OPF. The safest course is to follow 'what everyone else is doing', so it is not strange that funds flow so readily into the large, established companies (though in the recession, there has been a swing towards gilts and property).

It is quite clear, then, that there is a need to develop investment guidelines reflecting union interests, such as job creation. In particular, investment is needed for new, fledgling companies with a potential for rapid growth - which in 1981 were reported as finding greater support from American capital than from British.<sup>26</sup> Such investment guidelines should reflect views of the economy alternative to those assumed by the City - for example, as found in successive TUC Economic Reviews. This would provide union trustees with a coherent framework within which to assess and discuss the kinds of investments suggested by management.

However, there are two major problems.

First of all, the role of the trustee. As things are, the duties of the pension fund trustee are defined in such a way as to exclude conflict between union and management representatives. As we have seen,

many unions accept the basic perspective that their members' interests are served best through maximising returns. As a result, the notion of alternative guidelines is never considered. The higher the value per member of the fund, the better are the benefits payable. This has the effect of equating the members' interests with 'the best rate of return on capital'.

The central question is how to define union trustees' responsibilities. The development of union power in pension funds requires a balance between members' short-term and long-term interests. For example, property speculation might be highly profitable now, but social costs of a long-term rise in land prices plainly cannot be ignored by the unions. Foreign investments might also be profitable, but social costs of domestic underinvestment and unemployment cannot be ignored either. And venture capital, which could well aid the growth of innovatory smaller companies, could possibly prove a failure in the short-term if returns on capital were less than they have been elsewhere. And long-term, political considerations will be well to the fore when deciding whether or not to invest in South Africa.

In all these issues, the same questions arise: is the trustees' responsibility to the OPF as conventionally defined, or to wider interests? And if to wider interests, how are these to be drawn? Should in fact the underlying assumption of OPFs be that of accepting social responsibility for equity ownership in the economy? If OPFs have tended to 'abolish' the rights of private property in the day-to-day activity of companies, must union trustees 're-invent' them to assert their influence? These problems centre on the balance, as

stated earlier, between members' short-term and long-term interests.

This can be best illustrated by the second problem considered here: the precise nature of what an 'alternative investment' might be. There are four ways in which union trustees could begin to demonstrate independence:

(i) Investigating OPF malpractice. Recent examples of malpractice include the Electricity Council OPF, from which the Investment Manager was suspended following "errors of judgement" concerning a now bankrupt property company;<sup>27</sup> and an evaluation of the Lucas Staff Pension Fund which led to a £46m. drop in its value following a change in actuarial assumptions, about which the union trustees were not consulted.<sup>28</sup> Union trustees could become far more rigorous in their investigations of this kind of management behaviour as a prelude to promoting their own investment plans.

(ii) 'Beating Investment Managers at their own game.' In other words, union trustees could claim that their own investment guidelines were as good in short-term financial returns as management's. Many radical union trustees consider this option unwise, as it is hindered by the sheer weight of advice from the City institutions. However, union trustees could point out the failures and inconsistencies of fund investment policies - for example, despite conventional wisdom about going for the 'best rate of return on capital', funds have been known to bail out the property and secondary banking sector.<sup>29</sup>

(iii) Extension of investment criteria to include long-run returns. An assumption often made during discussions of union control on OPFs is that they must be profitable because "it's our members'

money". However, long-term returns are as important as short-term ones. Because British manufacturing industry produces low rates of return now, this is not a reason for diverting funds into property, as industry forms the productive infrastructure of the entire economy. It is not in the interests of pensioners to live out their retirement in a society characterised by under-investment, poor social services and inner-city decay. That forms the basis of a powerful argument for switching funds from capital growth assets (property, gold, works of art) into long-term equity investments. And this point leads on to the fourth option:

(iv) Extension of investment criteria to include social returns. The notion of a 'social return' must be kept distinct from an 'eventual long-term economic return'. The point is that certain types of investment are important socially, whether or not they produce calculable, economic returns. Making this distinction prevents disillusion with investments if economic returns do not materialise.

Social criteria for investment planning are of two types. The first is negative, and includes prevention of investments in certain areas. The second is positive, and includes active promotion of investment in, say, co-operatives, small firm portfolios, companies concerned with labour intensive production, or those engaged in the development of socially useful products.

Changes would be necessary in the OPF Trust Deeds to achieve this though a very important step has been taken by the Lucas Staff Pension Fund in this direction with the adoption of a venture capital clause. 2 $\frac{1}{2}$ % of that Fund's assets can be set aside for venture capital projects,

with the possibility of their failure taken fully into account. The NCB OPF runs a venture capital scheme through the Midland Bank, as does the South Yorkshire Pension Fund through its County Regional Investment Scheme (CRIS). CRIS allows capital to be placed directly on to the private market in South Yorkshire, with the emphasis on socially desirable operations. CRIS accounts for about 5% of the Fund, and is growing.<sup>30</sup>

These four possibilities - with the parallel stress on widening the remit of OPF union trustees to include long-run and social investments in alternative portfolios - form the basis for giving union trustees, backed by union policy, an independent stance on the activities of OPFs. The development of such alternatives would presumably feed into union training programmes and provide an impetus for joint union policies and co-operation.

In this chapter, we have analysed three levels of union reaction to OPFs. First, either passive acceptance of OPFs or perhaps the formulation of a basic union policy towards them, as APEX has done. This characterises the position of most unions. Second, a critique of OPF structure: its organization, the lack of union co-operation within it, and pressure for more effective training. These are steps taken by some of those trade unionists involved in the Lucas Funds. Third, going beyond OPF organization, the questioning of its role within the economy and the attempt to establish an alternative role for OPFs. Each of these three stages represents greater commitment for active involvement on the part of the unions. However, it is important to point out that even the third stage does not counter the non-observable power base of OPFs.

This is because OPFs form part of banking capital, which is highly mobile both between sectors of the domestic economy and between economies internationally. If British industry threatens collapse, it can move overseas quite easily. OPFs provide a resource with which the banking sector supports itself - earning commission, intervening at AGMs, directing investments into the banking sector itself, and so on. Overall, OPFs help prop up the power of the banks themselves. Interference (as defined by the City) on any particular OPF would almost certainly lead to pressure to change policy towards more acceptable objectives.<sup>31</sup> This is why alternative guidelines could end up as a cosmetic, a public relations exercise undertaken by the OPFs themselves to demonstrate social responsibility. Union trustees on the boards of OPFs are unable to touch the market structure.

In the next two chapters, however, we investigate instances in which the Labour movement has exerted more consistent pressure on these non-observable aspects of power.



## CHAPTER TEN

In the last chapter we illustrated how the structure of financial markets has restricted the development of an independent union policy towards pension fund investment. One principal problem was that union membership did not consider the democratisation of investment funds as a problem and so brought no organized pressure for change; their short-term interests ('good pension benefits') coincided with City interests ('best return on capital') while the union trustees on the board lacked the rationales - for the time being - to press for their long-term interests ('a buoyant and diversified economy') which, by concentrating on the social returns of investments, may well have conflicted with City interests. As a result, the structure of the financial market served to suppress a potential issue - and only the most politicised sectors of the unions involved perceived the significance of this non-observable aspect of power.

In Chapters Ten and Eleven, we extend this analysis to include examples of conflict where union membership pressure for change had mounted up - in particular to challenge, not financial markets, but the role of private property as a constraint on working conditions and security of employment.

### Management and the Right to Dispose of Property

Although the 1980 Companies Act requires directors to consider - though not to act on - employees' interests when making decisions, the law places final executive power in the hands of the owners of a company. Directors and managers remain the agents of the owners who are, in the

case of joint-stock companies, the shareholders.

"For over 200 years the directors of companies had no duty to consider the interest of employees. Indeed, if they did they acted illegally and could be challenged by the shareholders. This happened in 1962 when a shareholder sued the directors of the News Chronicle who wanted to pay compensation - redundancy pay - to their employees who were sacked on the spot one night when it 'merged' with the Daily Mail (Parke v. Daily News 1962 (High Court))."<sup>1</sup>

Such property rights constitute the fundamental layer of non-observable power in advanced capitalist societies. As Winkler puts it:

"Sociologically, private property is more than the possession of title deeds or share certificates; it consists in certain rights in scarce goods, four being crucial: the right to use the goods owned, the right to direct their use if one does not wish to use them oneself, the right to appropriate the fruits of their use, and the right to transfer the property to another owner. The enforceability of these rights rests ultimately on the State's monopoly of legitimate coercion."<sup>2</sup>

However, in industry there are two limiting conditions on these rights. First, the State has come to protect the interests of those directly affected by the disposal of property. Over the last century, employees' rights have been progressively extended at work thereby restricting the unlimited power of owners to impose conditions on workers. Trade unions have certain immunities from civil prosecution. For example, the Truck Act (1896) governs employers' rights to fine employees for disciplinary reasons, while the principle of unfair dismissal, enshrined in the Trade Unions and Labour Relations Act (1974) and the Employment Protection Act (1975), prevents employers from firing an employee for reasons which do not bear examination by an industrial tribunal. And many other similar examples could be cited, although the limitations of the law as a 'tool' for workers is widely recognised

in the Labour movement.<sup>3</sup>

Here, though, we are interested in illustrating the second limiting condition on property rights. The State may not be called on, in certain circumstances, to use its "monopoly of legitimate coercion". For reasons of expedience, a company may decide not to contest the organized opposition of workers to the disposal of assets which would lead to redundancies. Such organized opposition has included the seizure of the company's assets through sit-ins and work-ins. The Institute of Personnel Management in a booklet published in 1976 warned against hasty action in the case of occupation because "the underlying problem is an industrial relations problem ... and while the civil authorities will intervene at the request of the company, they can thereafter handle the situation as they see fit, having regard to their law enforcement role rather than to the company's industrial relations policies". The authors conclude:

"It might in some cases be necessary for companies to resort to legal action in order to remove the occupiers, but this decision should only be taken after serious consideration, and should be made only by, say, the chief executive. The factors to be taken into account include the damage to long-term industrial relations which might be incurred by using the law; the cost to the company of the occupation; its effects on employees not involved in the action and the effect of the occupation on the organization's customers."<sup>4</sup>

Indeed, if the company falls into the hands of the receivers, the government itself has been known - for reasons of expedience or principle - to help occupying workers to raise cash to form a producers' co-operative. The transfer of assets to the workers is then consolidated.

In still other cases, faced by the prospect of redundancies, workers may demand the extension of collective bargaining to include investment

decisions, the use of the 'social audit' to take account of the interests of the local community faced by closures, and even the acceptance of 'alternative corporate plans' designed to save jobs and manufacture socially useful products.

All these strategies - sit-ins, work-ins, co-operatives, investment bargaining, the social audit, and alternative corporate plans - have been brought to prominence in the 1970s by the Labour movement's struggle against rising unemployment. Besides this, the two features they all share in common are: first, the challenge they pose to management's right to dispose of property on the basis of private profitability alone; and, second, the mass support they have aroused from major sectors of the Labour movement. In short, these strategies - a form of radical industrial relations - have effectively brought property rights into the mainstream of political debate. Put another way, one of the foundations of industrial power in Britain - the free disposal of private property - has increasingly shed its non-observable characteristics. This challenge requires an analysis both of the economic background to these strategies and of the precise nature of the experiences which led entire work-forces to take radical forms of industrial action. As we shall see:

"... ideologies of workers' management arise during periods of political, social, or economic unrest. More specifically, however, it seems that these ideologies take root and grow when, for one reason or another, the legitimacy of an established economic elite is called into question and when the status of that group suffers a serious decline."<sup>5</sup>

#### The Upper Clyde Shipbuilders' Work-in

One of the most significant developments in the sociology of

industrial relations since the early 1970s has been the spread of the employees' work-in and sit-in. The phenomenon aroused the attention of all those concerned in industry, not least organized labour and management. In 1974, the TUC for example distinguished four types of occupation: work-ins, sit-ins over major management decisions (e.g. closures), collective bargaining sit-ins, and tactical sit-ins (e.g. as part of a wider strategy).<sup>6</sup> Since such occupations challenge locally the "unlimited property rights" of managements to close factories and carry out policies "that would blight the lives of workers (and often the prospects of whole areas and towns)", the TUC concluded that their use was "an appropriate trade union tactic in certain circumstances".<sup>7</sup> The Institute of Personnel Management, on the other hand, produced a booklet for its members confronted by occupations with tips on preventive, protective and legal counter-measures. The booklet's introduction noted that:

"Sit-ins and work-ins, while no longer automatically attracting headlines in the national press, are becoming a feature of life for many companies since they are increasingly being used as an alternative to more traditional forms of industrial action."<sup>8</sup>

Along with these practical concerns, there has also been a stream of academic studies analysing the causes and effects of occupations.<sup>9</sup> Despite the important differences in emphasis in all these works, they have one element in common: the view that the Upper Clyde Shipbuilders (UCS) work-in in 1971-2 was the major precursor of the movement<sup>10</sup> whose example "transformed the nature of the struggle against unemployment and redundancies in Britain".<sup>11</sup> Indeed, as one observer put it:

"... if there had not been UCS, there would not have been Plessey at Alexandria nor the River Don works at Sheffield, nor Fisher-Bendix at Liverpool, nor the wave of Manchester sit-ins ...."<sup>12</sup>

And another observer noted that since many occupations began before the successful outcome of UCS, it was the latter's example - and not success - which caught the imagination.<sup>13</sup>

The background to the story of UCS has been covered many times before, by Communists,<sup>14</sup> Conservatives<sup>15</sup> and Trotskyites,<sup>16</sup> as well as by journalists,<sup>17</sup> academics,<sup>18</sup> and the participants themselves.<sup>19</sup>

There is, then, a need for just the barest outline here. Britain's relative share of world shipping had fallen steadily throughout this century and, by 1960, one historian of the industry observed that "in the next few years there is the possibility that shipyard workers will be unemployed on an appreciable scale."<sup>20</sup> In 1965, the Labour government appointed a Shipbuilding Inquiry Committee under R. M. Geddes to lay the basis for a streamlined industry concentrated on the Clyde and the North-East coast of England. Their report,<sup>21</sup> accepted by the government, urged rationalisations and improved industrial relations to be supervised through a Shipbuilding Industry Board (SIB). The SIB subcommittee on the Clyde recommended in July 1967 that all five yards on the Upper Clyde should merge into one consortium, Upper Clyde Shipbuilders (UCS).<sup>22</sup> UCS began trading on 1 February 1968 with a loan of £5.5m. from the SIB. However, problems soon arose: the plant had been underinvested, management remained autocratic and the order-book full of loss-making contracts. Even the Conservative commentator observed:

"One of the few absolutely incontrovertible conclusions to be drawn about UCS is that it was acutely short of working capital throughout its brief history."<sup>23</sup>

Though UCS' financial position had temporarily improved by 1971,

the Conservative Government - operating its 'lame duck' policy - decided in mid-June to withhold a further £6m. loan, a decision which would lead to many thousands of redundancies. A campaign to change the Government's mind was begun, and on 27 July, James Reid, chairman of the UCS shop steward conveners and a Communist Clydebank councillor, announced plans for a work-in:

"(an unfavourable government decision would spark off) the most militant struggle ever seen in the history of Clydeside ... When we speak of occupying the yards we do not merely mean a sit-in. We intend to continue producing ships. After all, UCS has an order book worth £90m. We will have a work-in, which is unique in trade union history. People have been out on the street before now, and others have been on strike. But no one has ever had a work-in before now."<sup>24</sup>

On 29 July the Government confirmed that the yards at Clydebank and Scotstoun would be closed, with an immediate loss of 6,000 jobs. The following day, the Clydebank yard was occupied.<sup>25</sup>

The statement made at Clydebank by Tony Benn, then opposition Labour spokesman on trade and industry, captures the exhilaration and novelty that clearly surrounded the workers' own perception of events:

"This is the birthpangs of a new concept of industry. We are now showing that people in management are only interesting in so far as they help people earn a living. It would be a foolish man who thought that you could dispose of this movement by asking: 'Where are you going to get the paint from? Who is going to pay the electricity bill?'

"These things will be shown to be small in the concept of history. This is the stuff of which great events are made."<sup>26</sup>

Two questions arise at this point: first, what was the nature of the relationship between the economic condition of UCS and the work-force's consciousness of the need to take defensive action against

redundancies? And second - more importantly - where did the idea of a work-in come from, and why did it take such a firm root?

(1) Economic Conditions and Militancy

To begin with, it was clear that the number of jobs lost on the Clyde would be very high. The Times, for example, maintained that the UCS reorganization could cost 6,000 jobs, adding that those "of a further 6,000 employed by firms supplying materials to UCS could be jeopardised",<sup>27</sup> while Benn put the number of jobs at risk in ancillary trades at 15,000.<sup>28</sup> The figures, however, are not so very relevant: the fact of mass redundancies in an area of already high unemployment would be enough to polarise work-force and government.

Furthermore, the government was a Conservative one, and Mr. Davies was not tactful in his treatment of the issue. The Times correspondent reporting the debate on 30 July wrote: "Mr. Davies's somewhat cold and precise statement (on the need to rationalise) and his dismissal in a single short paragraph of the redundancies issue, which Labour MPs quickly pointed out could involve the direct and indirect loss of 15,000 jobs, contributed to the furious reaction."<sup>29</sup>

Then, most crucially, the workers whose jobs were under discussion have had one of the most radical histories of any in the United Kingdom.<sup>30</sup> Hunt, who made an empirical study of workers' consciousness during the work-in states that "it may be that this background (of class conflict) gave many UCS workers an historically evolved form of consciousness which was lacking (in other industrial disputes)".<sup>31</sup> Certainly, a shipbuilding community such as Clydeside does approach very nearly that type of 'proletarian traditionalism' drawn up by Lockwood:



"The most highly developed forms of proletarian traditionalism seem to be associated with industries such as mining, docking, and shipbuilding; industries which tend to concentrate workers together in solidary communities and to isolate them from the influences of the wider society ... The isolated ... nature of the community, its predominantly one-class population, and low rates of geographical and social mobility all tend to make it an inward-looking society and to accentuate the sense of cohesion that springs from shared work experiences ... Hence the dominant model of society held by the proletarian traditionalist is most likely to be a dichotomous or two-valued power model ('them' and 'us')."32

Although we have already subjected this rather simple model to a critique (pp.123-4), the point - that alternative models to capitalist society are most likely to evolve in 'solidary' working-class communities - is well made and taken. Indeed, it is not strange to find as a result that the shop steward leaders of the work-in were supported by a wide cross-section of the local population: housewives and families, churchmen, the Glasgow City Council and local councils, artists and musicians, shopkeepers, middle-management and the special recall conference of the Scottish Trade Union Congress.<sup>33</sup> 80,000 people joined the demonstration through Glasgow on 18 August and a further 200,000 downed tools in sympathy.<sup>34</sup> In this case, 'us' embraced in a populist fashion all but owners of large-scale capital and the Conservatives, who were seen as their agents. A local councillor, John Mains, stated:

"(The government hopes that) a heavy dose of unemployment and a few spectacular bankruptcies would frighten people into a more submissive attitude."<sup>35</sup>

As this view spread, so too support for the UCS work-in spread throughout the country. In summary, then, the prospect of mass unemployment in an area characterised by a cohesion of interests amongst

the various sectors of the community would have reinforced the legitimacy of almost any defensive actions taken by the shop stewards. The question now arises: why the work-in?

## (2) Origins of the Work-in

The manner in which the work-in was first articulated is described by Thompson and Hart: shop stewards from the four affected yards were concerned to find an effective initiative with which to answer the announcement of liquidation. The convener of stewards at Connells, Sammy Barr, first forwarded the suggestion of a work-in which, though received sceptically to begin with - one had failed two years previously at GEC<sup>36</sup> - was accepted on 13 June 1971 as the method most likely to publicise "the men's determination in the most dramatic fashion possible" to oppose closure.<sup>37</sup> Such a description, however, hardly passes as an analysis of the social pressures which made the work-in possible. Why not, after all, a strike?

A contrast can be drawn with another factory - later to become the Kirkby Manufacturing and Engineering (KME) co-operative - which was also in difficulties early in 1971. Thorn Electrical Group had taken over the factory in April, and it became apparent that management intended to improve productivity through halving the work-force. On 25 June, the workers went on strike. "This was not a powerful tactic since it increased the chance of total closure of the plant."<sup>38</sup> Only sympathy strikes elsewhere saved the jobs in August, but under the threat that the whole factory might close the year after.<sup>39</sup>

In explaining the divergence of action between UCS on the one hand and the Thorn plant on the other, several points must be made. In the

first place, there is the question of the leadership. Partly owing to the community factors that lead to a 'traditional proletarian' outlook, and partly owing to the sheer size of UCS requiring considerable skills of organization, the leaders at UCS were more confident and politically aware than their counterparts at KME: the Communist Party had a branch within the consortium, and Jimmy Reid, spokesman for the stewards, had been its Scottish Secretary and was in 1971 still on the National Executive Committee, whilst Jim Airlie, Chairman of the Shop Stewards Co-ordinating Committee, and others soon became used to addressing mass meetings and appearing on radio and television.<sup>40</sup> Already the discussion prior to the work-in demonstrated an advanced understanding of strategy, and embraced objections to strike action - "it would enable the liquidator to put up the padlocks all the quicker" - and to a sit-in strike - "that would be almost impossible to maintain for the exceptionally long-drawn out battle that was in prospect, especially in view of the geographical spread and scatter of the workforce over the four yards."<sup>41</sup> It was pointed out that a work-in would be unexpected, attract wide support as it is more positive than striking, avoid the problems of the other types of action, and by controlling the gates challenge the right of owners to dispose of their property in a socially arbitrary manner.

Such a debate is in stark contrast to the eventual occupation of the Thorn plant in 1972. Shop stewards and senior management were having talks to try to avert closure when a group of workers decided they should call a demonstration of support, which in fact grew into the occupation:

"... the workers felt they were taking a step into the unknown - and were understandably nervous - they had always

believed that management and their enclave were forbidden territory ... 'when we did get to the boardroom there was this invisible barrier, it's got to be said, it was a barrier ... You got this feeling ... and Tom, one of our senior stewards was jockeyed into the office, he wouldn't go at first'."42

Although this sit-in was temporarily successful - the co-operative was set up later - and it is clear that the leadership was less experienced, less confident and less political than the UCS stewards.

Important though the role of leadership may be, the crucial reason for the final vote by the shop stewards committee to take over the UCS consortium must involve reference to the political context of the decision. It is hardly surprising - both because of its ideology and because at the time it was in opposition - that the Labour Party's furious criticisms of Mr. Davies were based on the social considerations of liquidation, and above all unemployment, rather than with any narrowly economic reasons for the closures. The brunt of its attacks were, therefore, founded on a set of criteria for evaluating the purpose of an industrial enterprise - its capacity to provide stable employment - different from those used naturally by the Conservatives, namely commercial viability and 'success'. However, it is far more unusual for these alternative criteria to be debated openly and systematically by the Labour Party since they question the role of property in legitimising management's authority to dispose of assets - its non-observable power. Such alternative criteria - the rudiments of 'socialist hegemony' - clearly protect workers' interests (security and income) rather than management's (efficiency and profitability).

Articulation of these workers' interests had already led to the

emergence of Jimmy Reid as the charismatic leader of the work-in:

"At any one time, some symbolic forms can provide better solutions to the current problems of the group than others and those members who create, mobilise, or articulate them become potential leaders. It is the structural situation of the group that determines what type of symbols are more effective than others and hence what type of leader is needed. Charisma is largely a group function, not an individual trait. Underlying the symbolic process in the development of charisma is the creation of normative obligations which bind the members of the group together, both the leaders and the led. As a result, the leader is given by the group power which he exercises for the group."<sup>43</sup>

But the actions of the stewards' leadership were considerably strengthened by the support lent it by the Labour Party, and the leader of the opposition, Harold Wilson, who placed his authority at national level behind the critique of market values implicit in the work-in. We should not condemn, he stated, "any action they (the UCS stewards) take, within the law, to maintain their right to work."<sup>44</sup> So it was that the work-in became legitimised in Parliament itself and did eventually succeed in keeping all four yards open.<sup>45</sup>

This discussion ties in with our earlier observations on contradictory consciousness and "abstract and situational" levels of normative reference (pp.85-92).

"On the (abstract plane, the average person) expresses a great deal of agreement with the dominant ideology; on the (situational plane), he reveals not outright dissensus but nevertheless a diminished level of commitment to the bourgeois ethos, because it is often inapposite to the exigencies of his class position."<sup>46</sup>

It can be argued that the Labour Party managed to present a countervailing set of norms at the abstract level which articulated those grievances felt at the situational level into a coherent ideology.

One example of this is the way that the traditional rights of an owner of a factory to dispose of it as he thinks fit had been subverted by workers' insistence on the same property rights on their job: they "own" it as they have "invested" their working life in it and choose to keep it. In the context of the Parliamentary debate following Mr. Davies' announcement of the liquidation which led to the work-in vote, the whole general tenure of Labour's unanimous arguments was to question the arbitrary disposal of property, and in the case of Mr. Benn in particular to urge workers to occupy the yards. The Times correspondent noted that: "Mr. Anthony Wedgwood Benn, Labour spokesman for trade and industry, has probably spent more time in Clydebank than in his own constituency since the crisis began. Workers' control seems assured at least until Mr. Wilson's visit, and probably beyond."<sup>47</sup> The timidity of workers at the Thorn plant at the start of their occupation must be attributed at least in part to the lack of an "abstract" ideological mobilisation on their behalf by the Labour movement during their efforts. In this respect, once more, the sheer size of UCS - its significance to radicals, its economic importance to the West of Scotland, the level of unemployment created by closures and its public visibility - played a large part in allowing the development of this new form of industrial action and in stimulating the public's sympathy for it through the maintenance of an alternative 'social reality' by all concerned in the occupation.

One effect of the work-in, then - given that, as Gretton put it, "there is no tradition of this sort of workers' action, no historical reference point (since the 1920s)"<sup>48</sup> - was to create a measure of public tolerance for direct action. Yet its most enduring result, however, has probably been the development of the 'social audit' ....

### The Social Audit

"The social audit is seen as an attempt to assess, and place before public opinion, some picture of the true socio-economic costs of decisions which are taken within the narrow rationality of enterprise budgets ....

"The social costs of turning the Clyde into an even more acutely depressed area than it already was in 1971 included as a minimum the unemployment and social security benefits due to the victims of the process, and very likely also the additional costs of moving, re-employing, housing, educating and providing for an infrastructure of transport and social services for a whole displaced community."49

Barratt Brown carried out the first full-scale social audit of UCS; he assessed the external economies of keeping the yards open, transformed perhaps into a multi-purpose port with ore and oil terminals; the external costs of allowing the yards to run down in terms of wastage of assets; the costs to the community in terms of the run-down of housing, schools, roads and hospitals if the yards closed; the welfare costs of unemployment and social security benefits; as well as the grants and loans already awarded by governments to the consortium (about £21m.) between 1968 and 1971.<sup>50</sup>

Another social audit on UCS was prepared as evidence on behalf of the IWC to the 'Committee of Enquiry into the Proposed Run-down of Upper Clyde Shipbuilders', which was set up by the STUC under the chairmanship of Professor Raymond Illesley.<sup>51</sup> The evidence - prepared by Robin Murray - analyses the nature of 'bankruptcy', the effects of the 'bankruptcy' on the local community, the constraints of 'efficiency' at UCS and a comparison of the social organization of UCS and the shipyard at Split, in Yugoslavia.

"Far from promising increased social efficiency, bankruptcy promises merely to restore the rate of profit on private

capital by transfers from other parts of society. But ... also ... in the field of production, as in the broader field of social costs raised by Michael Barratt Brown, the restriction of discussion to the terms dictated by the market can no longer be accepted. For the question before us is not how to adjust ourselves to maintain this particular economic system, but how to organize the system to meet our needs."<sup>52</sup>

The social audit approach was also used with success at the second work-in undertaken, in autumn 1971, at the River Don Steel Works in Sheffield. The British Steel Corporation (BSC) had announced plans to close the River Don plant by hiving off some orders to private competitors and shutting down its heavy forge. The unions and middle-management together approached customers for heavy forgings to ask whether they knew of BSC's plans:

"Since the intended closure would have meant that heavy forgings could only be obtained abroad, there was an almost instant queue of complainants at Lord Melchett's office (the BSC chairman), and the decision was revoked."<sup>53</sup>

Since then, the approach has been used elsewhere,<sup>54</sup> and further refined to develop the notion of local participatory democracy. Bodington, for example, has set out a model of democracy based on the social audit: the community relates social needs to the resources available to satisfy them as a way to avoid the inefficiencies both of the "automatic market system" and centralisation:

"A first stage would be for TUs, community action groups, political organizations and local authorities to organize conferences to consider and discuss the function of social auditing in the fight against unemployment. This however can only be a beginning since the preparation of a realistic social audit will call for (i) time and (ii) expertise ....

"The social audit would in fact be an instrument of economic and social struggle. It would be striving for immediate changes wherever possible and where not possible, immediately highlighting financial and legislative changes



necessary to the realisation of aims which were seen to be feasible except in so far as they are blocked by structural impediments of society as it is (e.g. borrowing powers, rights to requisition needed property and so forth)."55

Yet the social audit's more immediate - if indirect - impact was on the development of the new co-operatives on the one hand, and on alternative workers' corporate plans on the other.<sup>56</sup> Both these developments were, and are, based on a concept of industry's social responsibilities in providing secure, useful employment: the formation of co-operatives during the 1970s came to be seen increasingly as a way to socialise small companies, and the discussion and propagation of alternative corporate plans as a way to socialise large companies. Both methods were intended to avoid the free market on the one hand and bureaucratic centralisation of traditional nationalisation on the other. In the next chapter we analyse the significance of these forms of workers' control, both of which 'go beyond' the sit-in and work-in by attempting to institutionalise and formalise workers' control on a long-term, stable basis.

## CHAPTER ELEVEN

The UCS work-in was, then, highly significant not only because it prevented mass unemployment on the Clyde but also because it provided inspiration for other occupations.

In his study of factory occupations, Mills distinguishes three 'waves' which followed the UCS example between July 1971 and March 1974. At first, engineering workers were in the vast majority of occupiers (91.5%), and it was they who "had a pioneering role in initiating and establishing occupation strategy". The second wave "brought in other unions, notably the Transport and General Workers", whilst the final wave - beginning in February 1972 - marked "a deeper acceptance of the strategy ... when 28 print workers occupied their work premises to protest a pay claim rather than redundancy. Another 25 occupations (all involving AUEW) over pay disputes followed this move".<sup>1</sup>

What is of particular interest is that in February 1972 the first producers' co-operative was created out of an occupation. The "final wave" of occupations had broadened to include not only disputes over wages but also a small group of women workers in Fakenham, Norfolk, who, though opposed by the Executive Committee of their union - the National Union of Footwear, Leather and Allied Trades (NUFLAT) - resisted the closure of their leather factory during a seventeen week work-in.<sup>2</sup> They continued making dresses and bags, and eventually obtained financial backing from the Scott-Bader Commonwealth - a successful company run on common ownership lines - which provided loans of £10,000 over three years. However, the reasons for the eventual

failure of Fakenham Enterprises - the name of the co-operative as it became - are instructive (it closed in 1977). The demand for shoes, in which it had specialised, slumped; the co-operative was under-capitalised; there was no help from the Labour movement - "the union actually hindered the women from trying to get support ....";<sup>3</sup> and there was little genuine self-management in any case:

"The Fakenham sit-in was not "managed" by the women shoe-makers at all, but by an ASTMS full-time officer who became involved when their own union gave up on them; he actually advised them (through a contact) to carry on the spontaneous 'sit-in' and thereafter organized the administrative structure of the co-operative and put them in touch with Scott-Bader ... The venture failed because of a number of reasons among which was the strongly authoritarian leadership provided by a woman ex-foreman who eventually alienated many of her colleagues."<sup>4</sup>

Wajcman adds:

"At Fakenham, most workers did not assert their 'right' to self-management. They were willing to negotiate about any proposals that would have secured their employment ... For these workers, forming a co-operative was the last resort before the dole - or, at best less skilled and lower-paid jobs."<sup>5</sup>

This short account of Fakenham Enterprises does raise two major questions for this chapter. First of all, under what circumstances does a sit-in or work-in develop into a producer's co-operative, and to what extent might this development challenge the role of private property in industrial affairs? And second, what chances are there for genuinely democratic forms of work organization in neo-capitalist societies, especially in larger enterprises, which are not necessarily based on common ownership?

## Sit-ins, Work-ins and Co-operatives

### (1) The Establishment of Co-operatives

It might be felt that the establishment of a co-operative implies a 'higher level' of worker consciousness than a work-in. After all, it constitutes an alternative approach to the economic and social structure of the factory, and enjoys a permanence in legal terms not shared by the temporary work-in. However, not only is there difficulty in identifying what might be meant by a 'higher level' of consciousness, but also an analysis of the problems facing the formation of a co-operative in the 1970s reveals that it is usually best seen either as the last resort in avoiding unemployment provided that finance is available, or as the effort of a group of enthusiasts keen to promote an 'alternative life-style'. In the first category, the workers involved do not necessarily have a special regard for the quality of their jobs. Amongst the 'new co-operatives' of the 1970s, only at Meriden has reference been made to the enthusiasm of the work-force for their product (motorcycles) as a factor in eventual success.<sup>6</sup>

Furthermore, with the exception of Benn's policies in the mid-1970s, there has never been a coherent strategy in Britain to advance workers' control through co-operatives, with the result that there is no political leadership 'on tap' to give systematic assistance in developing co-operatives from work-ins.<sup>7</sup> For example, in a report to the Communist Party's Executive Committee, Bert Ramelson (Industrial Organizer) stated that since co-operatives were suited chiefly to either distribution or small-scale production:

" ... we would be creating illusions if we were to foster the idea that it is a major solution or an alternative form

to nationalization in a highly sophisticated large-scale and interdependent industry such as Britain's."<sup>8</sup>

And Stephen Parker maintains that:

"... the whole issue of the problem of the market has not been seriously answered by the leaders of the struggle for a co-operative (at Meriden) ... The way in which the workers are maintaining production means that they have also taken upon themselves the penalties which capital demands in a crisis situation (i.e. wage reductions and redundancies)."<sup>9</sup>

There is considerable validity in these arguments: the original work-force of 1,800 at Meriden dropped to 300 when the co-operative was launched (though it climbed to 645 a year later) and the unions lost their traditional influence on the shop-floor: as Felix Keane - one of the worker directors - has pointed out "there is complete flexibility of labour and ... no demarcation troubles."<sup>10</sup> As a result, many 'new co-operatives' in their formative stages received help over organization and similar issues from individuals rather than political groups: Professor Raymond Loveridge at Fakenham;<sup>11</sup> Professor Tony Eccles at KME;<sup>12</sup> Geoffrey Robinson, MP, at Meriden,<sup>13</sup> and Ken Fleet, Secretary of the IWC, at Grantham Fashions.<sup>14</sup>

A further obstacle to be surmounted in forming a co-operative is - as Mandel argues<sup>15</sup> - the hostility of groups of workers elsewhere who fear that their own jobs may be undermined by a successful co-operative. Meriden is an example: Norton Villiers Triumph (NVT) was formed in July 1973 with £4.8m. of public money, and Mr. Dennis Poore as Chairman. That autumn, the Meriden plant was closed to concentrate production in the company's two other plants at Small Heath and Wolverhampton. But after an 18 month sit-in, Meriden workers set up their own co-operative (March 1975), though NVT continued to market its products until 1977.<sup>16</sup>

However, Poore warned Benn that motorcycle demand could not sustain all three factories, a view shared by the Small Heath workers who had angrily told Benn that they feared that the Meriden Co-op threatened their jobs. Though Benn emphasised his commitment to re-vitalise the industry through the National Enterprise Board (NEB), both the Wolverhampton and Small Heath plants eventually closed - which led to another sit-in at Wolverhampton, not supported by Eric Varley, Benn's successor at the Department of Industry.<sup>17</sup> The Times, in a leading article, declared that NVT had been expected to rationalise under the programme attracting state aid in 1973 and that Benn's support of Meriden had "wrecked" the plan.<sup>18</sup>

A similar situation arose during the formation of the Scottish Daily News (SDN) as a co-operative.<sup>19</sup> Beaverbrook Newspapers Ltd. decided to close their Glasgow office in May 1974 and so cease printing their three Scottish papers. The rationale was that their Glasgow printing operations employing 2,000 had to stop to allow those in London and Manchester to carry on. The official print unions backed Beaverbrook's and so the Action Committee, formed on being notified of the closure, decided that means other than applying more pressure on Beaverbrook's would be necessary to keep the site open. Faced with having to raise money rapidly, the Action Committee soon discovered that most Union Executive Councils were hostile or indifferent. Allister Mackie, chairman of the Action Committee and later co-chairman of the co-operative, wrote:

"The print unions themselves showed little enthusiasm. Perhaps they feared that a successful Daily News would jeopardize their members' employment in the other Scottish newspaper offices. Whatever their reasons, and they were never openly declared, the print unions, with the exception of the Scottish Graphical Association, did

not give their full, unqualified support."<sup>20</sup>

In the event, the SDN co-operative closed in December 1975, after running since the previous May.<sup>21</sup>

In view of such opposition to co-operatives - demonstrated by mass meetings of shop-floor workers at Small Heath and official lack of interest by unions over SDN at Glasgow - it is obviously difficult to form one without outside support. In at least one case, at the Briant Colour Printing work-in, appeals to establish a co-operative were voted down on the recommendation of the leadership inside the plant.<sup>22</sup>

A further problem in establishing a co-operative lies in its product markets. In the case of the new co-operatives, a slump - leading to liquidation or its threat - had been behind the crisis in the plants in the first place. The reorganisation of a company from private to co-operative ownership does not in itself regain lost sales and declining market shares. This question we analyse below when considering a co-operative's finances.

This section has demonstrated that co-operatives do not emerge out of work-ins as workers' consciousness evolves. Work-ins do not necessarily present a glimpse of an alternative form of industrial organization: many factors impede this, including contradictory consciousness through which the dominant "abstract" ideology prevents the articulation of alternatives based on "situational" experience. Material problems facing workers who attempt to establish co-operatives include lack of cohesive political support and the hostility of union officials and shop-floor workers who fear for their own employment.

Indeed, the motivation to establish a co-operative is usually in reaction to the threat of redundancy. As Fletcher puts it:

"Traditionally the working class in Britain has turned to co-operation as a form of self-help at times of economic crisis; in the depression after the Napoleonic Wars - which bred Owenism - in the eighteen fifties and nineties, and after the First World War when Tom Mann was the movement's most powerful spokesman."<sup>23</sup>

The prospect of saving jobs is quoted as the single most important motivation in setting up KME,<sup>24</sup> SDN,<sup>25</sup> and Meriden.<sup>26</sup>

One essential condition, then, for a sit-in or work-in to turn into a co-operative is the readiness of the shop-floor to support a leadership committed to resist redundancies. However, there is a further, crucial condition: that is, access to finance. British co-operatives, unlike either their French counterparts or the Mondragon organization,<sup>27</sup> have no sources of finance or credit especially geared to their needs. As a result, a vicious circle ensues: lack of credit means that cash reserves disappear, so the co-operative is forced to lower its prices to establish a market; this further squeezes finance available for expansion and puts the co-op at risk. This erodes confidence - and justifies not giving it credit which puts it back to square one.<sup>28</sup> It is this kind of structural weakness which, in Britain, has prevented the co-operative movement from challenging very strongly traditional forms of private ownership in industry.

## (2) Co-operatives, Finance and Private Property

There is some controversy over the ability of producer co-operatives in general to survive. Derek C. Jones has demonstrated that they



do not inevitably decline into non-participatory organizations and that, as a result, there is "the need for re-examination of traditional beliefs" concerning their viability.<sup>29</sup> However, in the public mind, the record of the 'new co-operatives' - those aided by Benn in the 1970s to fight closures - has been poor: their markets have been declining and their operations have been undercapitalised, though this no doubt reflects the vicious circle of credit starvation outlined above rather than any intrinsic faults of organization.

Because the new co-operative plants had been on the point of closure, management has not normally provided funds to continue - although Beaverbrook's did supply loans of £500,000 unsecured and £250,000 secured to SDN. In addition, it is no longer adequate, given the scale of modern industrial operations in these instances, to build up a fund principally of members' savings as traditionally. The remaining three methods of finance outlined below have not been satisfactory either - with the result that the failure of the new co-operatives has tended to reflect (unfairly) on co-operative organization as such, rather than poor methods of capitalisation.

First, there has been reliance on an individual benefactor. The most notorious example is that of Mr. Robert Maxwell's association with SDN. The Government agreed to pay half the £2.4m. required to launch the co-operative, on condition that the Action Committee found the other half privately. Robert Maxwell provided the outstanding £114,000 in exchange for the co-chairmanship of the works council. Maxwell had already had a dubious business career; in 1971 Department of Trade and Industry inspectors had considered him "not ... a person

who can be relied on to exercise proper stewardship of a publicly quoted company."<sup>30</sup> Although the Government could have met the extra to exclude him - they had originally offered support of £1.75m. - they chose not to. After quarrels on format, price and editorial line, Maxwell eventually managed to achieve full control of SDN. Mackie, the original chairman of the Action Committee, and co-chairman of the co-operative, wrote:

"This was the basic weakness of the co-operative. Maxwell had conditioned the members into believing that their only chance of survival was to give him absolute authority; there was no other means of salvation. In effect, the members had renounced already their co-operative principles in the mistaken belief that by doing so they were securing employment for themselves."<sup>31</sup>

The SDN was eventually liquidated, and the occupiers evicted in autumn 1976.

Grants from central government were a second source of finance, associated with the period Benn spent as Secretary of State for Industry between March 1974 and June 1975. These grants - notably to KME, SDN and Meriden - attracted considerable adverse criticism during a time of economic crisis. The Industrial Development Advisory Board (IDAB), established in 1972 by the Conservatives to advise the Secretary of State for Industry on selective financial assistance for industry, opposed the loans to SDN and Meriden, and over the £4m. loan to KME exercised its right to lay a statement before the Commons in protest.<sup>32</sup> The following June, when Varley took over Benn's post, the government began to take a harder line over such grants. Varley allowed the repossession of the Imperial Typewriters factory in Hull where workers had occupied in the face of closure and drawn up a social audit; he

also refused to aid the NVT Wolverhampton sit-in and eventually allowed KME into liquidation in March 1979 after attempts to take it over by Worcester Engineering failed to satisfy the co-operative's creditors.<sup>33</sup> Government grants, then, are erratic and too heavily dependent on political factors to provide co-operatives with a stable source of funds.

Finally, other co-operatives and - especially - co-operative agencies have helped to finance new ventures. Scott-Bader, for example, the well-known common ownership enterprise operating in the plastics and chemicals industry,<sup>34</sup> has aided Rowen Engineering (Glasgow),<sup>35</sup> Rowen Onllwyn<sup>36</sup> and Fakenham Enterprises. And more systematically, the Industrial Common Ownership Movement (ICOM), founded in 1958 with inspiration from Scott-Bader, provides financial assistance through Industrial Common Ownership Finance Ltd. (ICOF). ICOF, itself founded in 1973, is a non-profit making loan fund deriving finance from individual contributions and the provisions of the Industrial Common Ownership Act, 1976.<sup>37</sup> Under this Act, £250,000 was made available over five years from the Department of Industry for loans to common ownership enterprises. By the end of 1979, ICOF had received £80,000, but had 22 different advances out totalling almost £145,000.<sup>38</sup> The projects ICOM and ICOF can aid are, therefore, very small.<sup>39</sup> Funds available from other agencies - such as the Co-operative Development Agency (CDA), established by the Labour Government in 1978 - are likewise very limited.<sup>40</sup>

However, it may well be that in the longer run, the co-operative sector is most likely to flourish through ICOM and the CDA. Indeed, as the Guardian put it:

"The collapse of KME, sad though it may be, does nothing to discredit the CDA. Indeed, the future of worker co-operatives lies more with the hard-headed realism of the agency than with the generous but essentially soft-hearted sympathies of those who launched Kirkby."<sup>41</sup>

This view may well be correct. The Conservative Government allowed the CDA to continue although with its activities curtailed,<sup>42</sup> and support for co-operatives re-emerged in the early 1980s through the Manpower Services Commission's various job creation programmes, local councils and 'management buy-outs' - for instance, the take-over of the State-owned National Freight Company by management and other employees.<sup>43</sup> Dr. David Owen, at ICOM's spring conference in March 1980, summarised co-operative development in Britain by saying that after its peak at the turn of the century it had declined for 75 years but then "during the last five years had grown exponentially". The total number of co-operatives in Britain had been 75 in 1977; 140 in 1978; 162 in 1979; and would be an estimated 250 in 1980.<sup>44</sup>

However, such co-operatives are both very small as enterprises and constitute only a tiny proportion of industrial output.<sup>45</sup> Benn himself stresses that the new co-operatives were aided only because they were self-selective:

"When people say to me 'Why didn't you set up a co-operative at Aston Martin, for example?' I have to reply that in Newport Pagnall, male unemployment was 1.8%; and quite frankly the workers at Aston Martin didn't want a workers' co-operative and there was nothing that I could have done to get a co-operative going if that was not what they actually wanted."<sup>46</sup>

Success is not, however, achieved through enthusiasm alone; self-selected experiments, if they fail, tend to reflect on the co-operative movement as a whole rather than on the specific problems faced by those

examples themselves.<sup>47</sup>

Several points emerge, then, in relation to property and market constraints on the development of co-operatives.

First, co-operatives aided through ICOM and the CDA tend to be small and economically unimportant - albeit worthwhile as enterprises. They cannot be said to challenge the ownership structure of private industry.

Second, the new co-operatives - whilst larger and more noticeable - relied on enthusiasm and public funds, the supply of which turned out to be erratic. Indeed, their intention - to save jobs - sometimes led to an organizational structure not always regarded by everyone as genuinely co-operative. Jo Grimond, for instance, dubbed them "Government funded syndicalist enterprises."<sup>48</sup> The main difficulty was that they were not supported by a coherent government strategy. Benn's comment about UCS can be extended to the co-operatives:

"... UCS sit-in was (not) basically about industrial democracy. As became clear, it was about the right to work."<sup>49</sup>

Given the discussion of "abstract" and "situational" frameworks earlier, this is not surprising since the impulse to find work is still deeply implanted in our society.<sup>50</sup> And when workers at Meriden, KME and SDN shifted their interest from a 'mere' defence of their jobs towards an alternative industrial (not social) structure, there was no unambiguous strategy of support from the Labour Party - as there had been for UCS.

"To give the movement real shape and direction, a committed approach would be necessary from the Labour Party itself.

This would not mean simply handing round the hat to individual co-operatives, but would involve an acceptance of this form of enterprise as part of a political programme and strategy."<sup>51</sup>

Yet no such committed approach has ever been forthcoming.

### Workers' Alternative Corporate Plans

Co-operatives have a tendency to be small not only because smallness favours direct democratic accountability, but also because the process of capital accumulation is more restricted: co-operatives must finance expansion purely from within and cannot rely on raising funds on the stock market.

However, what of workers in, for example, large, multi-plant engineering companies? What strategies have they formulated to counter the threat of rationalisation and redundancies?

These questions bring us to analyse the second major development in the institutionalisation of radical industrial relations during the 1970s - the emergence of workers' alternative corporate plans (ACPs). The central intention of an ACP is to present to management a possible investment strategy based on three principles:

- (1) to save jobs;
- (2) to produce 'socially useful' products; and
- (3) to achieve these aims by adapting the existing technology and equipment already installed in the company, and therefore avoid capital expenditure on new plant.

These principles are best illustrated by examining the first and best known ACP - that at Lucas Aerospace.

Lucas Aerospace - a division of Lucas Industries Ltd. - began to rationalise its operations and lay workers off towards the end of the 1960s, when it employed around 18,000. In 1974, the Lucas Aerospace Combine Shop Stewards' Committee (LACSSC) - then representing 14,000 members in 13 unions on 17 sites - began to develop a constructive strategy to oppose mass redundancies.<sup>52</sup> It circulated a questionnaire amongst the work-force for ideas on products which, first, could be made with plant and skills already on hand in the company and which, second, would be socially useful. On the basis of returned questionnaires, the LACSSC drew up in 1976 a list of 150 such products, grouped under six headings:

- . oceanics (e.g. equipment for marine agriculture);
- . telecheiric machines (e.g. robotics for mining, firefighting and underwater use);
- . transport systems (e.g. a combined road/rail vehicle);
- . braking systems for coaches and railways;
- . alternative energy sources (e.g. hybrid motors incorporating internal combustion engine, generator and batteries); and
- . medical (e.g. kidney machines, mini-radar devices for the blind).<sup>53</sup>

To begin with, the LACSSC advanced some of these proposals ad hoc to management. For example, in June 1975, Lucas Aerospace threatened 480 redundancies at Hemel Hempstead, a threat which was withdrawn when

stewards put forward their plan for industrial ball-screw production.<sup>54</sup> Then, in January 1976, the LACSSC presented the 'Alternative Corporate Plan' to Lucas management and the media. It ran to six 200 page volumes, each of which was devoted to one of the six product areas listed above.

"The Combine felt that a number of the product suggestions could be conventionally profitable, but others might be less so, and it was the Combine's intention to enter discussions with the management of the company and 'offer' a profitable product in exchange for production on a so-called 'unprofitable product'.<sup>55</sup>

The company refused to discuss any of the proposals contained in the ACP. From then on, the LACSSC engaged in complex and lengthy discussions with the company itself, the national unions involved, the Labour Party, the TUC and the Department of Industry to gain recognition for the ACP.<sup>56</sup>

Two events in 1978 led to new developments. In January 1978, the LACSSC and the North East London Polytechnic (NELP) jointly established the Centre for Alternative Industrial and Technological Systems (CAITS) with a grant from the Joseph Rowntree Charitable Trust.<sup>57</sup> CAITS was located in the Engineering Faculty of NELP, the Dean of which became responsible for it to the Director of NELP. It was directed by representatives from both NELP and the LACSSC with a full-time coordinator (Mike George) in day-to-day charge. An advisory committee of about twenty-five academics and trade unionists oversees the Centre's activities, the aims of which are to act as a 'clearing house' for the Lucas Aerospace ACP, to promote the notion of socially useful production in union negotiations, and to provide research and experience for shop stewards wishing to set up joint combine committees and ACPs of their



own.<sup>58</sup>

Two months later, in March 1978, Lucas Aerospace announced that it wanted to cut its labour force from about 12,000 to 10,000 by closing three factories in Liverpool, Bradford and Coventry. At this point, the LACSSC decided to involve the Confederation of Shipbuilding and Engineering Unions (CSEU) - the confederation of unions which negotiates at national level for the shipbuilding and engineering industry.

"We decided that unless we tested this proper channel, we would lose a lot of our support. Government ministers and union officials had managed to persuade many supporters of the initiatives of the combine committee that the CSEU was the only channel to go through if we wanted our ideas and organization to be taken seriously. They, together with the company, said that we were an 'unofficial body' even though everyone was a properly elected shop steward."<sup>59</sup>

In fact, relationships with the CSEU were to be as thorny as those with management, unions, Labour Party and Department of Industry. Yet, under the auspices of the CSEU, the Lucas Aerospace Trade Union Committee - with assistance from CAITS - produced a 400 page report on possible investment initiatives at Lucas:<sup>60</sup>

"In 7 sections the Report makes market assessments of potential Lucas business in the booming aerospace sector, it criticises management, almost on a site by site basis (Lucas Aerospace has 17 sites), it puts forward eight product suggestions for the sites under threat, and it proposes a Government-aided Job Maintenance Programme; the Report is backed up by 29 appendices."<sup>61</sup>

It also included a social audit of Lucas Aerospace's closure plans (Section 4).

Lucas Aerospace did agree to consider the Report and not to carry out compulsory redundancies.<sup>62</sup> In the event, only a relatively small

number of jobs were lost. In September 1980, CAITS reported:

"Although it is still not certain that the company will make these products, there are clear signs that it might soon be forced to do so - and remember that Lucas cut 5,000 jobs in the 4 years before the Plan, and only 100 since then ...."<sup>63</sup>

The originality of the LACSSC ACP, as Coates argues, consists in its attempt to present a solution to four interwoven aspects of the underlying industrial crisis: unemployment, lack of democracy, unmet social needs and environmental concern.<sup>64</sup> For these reasons, no doubt, it attracted attention both favourable - the LACSSC was nominated for the Nobel Peace Prize in 1979 - and unfavourable.<sup>65</sup>

Most importantly, the Lucas ACP - aided by CAITS - has stimulated much debate amongst shop stewards' combine committees facing redundancies in other multi-national companies. Some combine committees have established their own ACPs, as at, for example, Vickers.<sup>66</sup> Other combine committees have acknowledged the importance of ACPs and have drawn up 'rational strategies' for their industry though in less detail, as at, for example, C. A. Parsons.<sup>67</sup> Still others have discussed possible transfers of work to the plant under threat - though not in the same systematic manner associated with an ACP, as, for example, at BL in Liverpool.<sup>68</sup>

On 17 November 1979, CAITS and the LACSSC organized a one-day conference on ACPs at NELP to discuss the opportunities and risks which ACPs involve in a variety of different sectors: aerospace, heavy engineering, motors, power engineering, and telecommunications and postal engineering. A decision was taken at the conference to attempt to create and maintain links between shop steward combine committees

through regular meetings. This decision was interpreted in some quarters as a step further towards an effective way to deal with the emergence of multi-union, multi-plant, multi-national companies.<sup>69</sup>

### Assessment of Alternative Corporate Plans

The development of ACPs raises important issues. To begin with, they presume the existence of a united shop stewards' combine committee. It is not certain how many of these exist in Britain, still less what different types there are (division, company or industry-wide), or how united, effective and independent they are, or how they derive their income.<sup>70</sup>

Secondly, not every industry is necessarily amenable to the development of an ACP. For example, at C. A. Parsons, Newcastle, the corporate union committee stated:

"The most important difference in our approach is that we cannot apply the same formula as at Lucas Aerospace where socially useful products are posed as an alternative to military production. We see the production of turbine generators for electrical power transmission as socially useful work in itself, essential for production and essential to maintain living standards of workers generally."<sup>71</sup>

The Committee added that the technology in the company was suitable only for the production of turbine generators, of which only a few were manufactured a year:

"Many of the workers are highly specialised; much of the plant would be only of limited use for other heavy engineering products and useless for small-scale production."<sup>72</sup>

Faced by government pressures to rationalise turbine production,

the corporate union committee attempted to build a campaign to prevent private mergers - it also drew up a 'rational strategy' for the company to develop turbine generators using wind/wave/tidal energy, intermediate turbine generator technology, and combined heat and power generators. Indeed, the objection that factories are often purpose-built - and so not amenable to ACPs - has been made elsewhere as well.<sup>73</sup> However, CAITS does acknowledge the diversity of possible forms of ACPs, and has produced guidelines on "what needs to be done" if a combine committee decides to develop one.<sup>74</sup>

The most serious objection raised against ACPs is that they lead to some form of incorporation:

"The Corporate Plan has been criticised as a fuzzy reformist demand which removes workers from a position of direct opposition to management."<sup>75</sup>

Senior shop stewards are alleged to run the risk of co-option into top-level consultations with management, which could undermine their independence; meetings and discussions could be used as delaying tactics whilst redundancies go ahead; shop steward 'corporate planners' could equally become distanced from their constituents; and ACPs could become enmeshed in bureaucratic procedures of tripartite planning, or else degenerate into glorified suggestion boxes for management.

On the other hand, it may be argued that because ACPs are complex - involving the defence of jobs, use of technology and social need - they allow workers to advance along a series of 'fronts' at the same time, and therefore strengthen bargaining positions. This might encourage the independence of shop stewards because attention is drawn to the fact that other interests in industry - the company itself, government and

union leaderships - cannot be relied on to save jobs:

"All of the planning initiatives by workers in the recent past have of course arisen in response to immediate or forthcoming redundancies and closures, and as mentioned earlier, these plans do at least provide a way of developing an offensive bargaining position. For that reason, many workers have mobilised around this form of struggle in a straightforward defence of jobs. But perhaps it is not so straightforward - there is for instance an assumption that reliance on the company, the State or union leaderships to maintain threatened jobs is an inadequate or unwise move - this sentiment alone if taken up by large numbers of workers would have significant implications for the dominance of the managerialists."<sup>76</sup>

The process of promoting ACPs may itself, then, tend to politicise those involved and provide an example, or a point of reference, for struggles elsewhere. Most importantly, however, workers' plans extend collective bargaining in a radical way:

"Workers' plans and reports are not objects, rather they are processes of expropriation over managerial prerogatives."<sup>77</sup>

The extension of collective bargaining into new areas - information disclosure, investment and product planning, marketing strategies, factory location, and takeovers - forms a major incursion into the traditionally defined areas of management's 'right to manage'. From the point of view of the shop stewards, the merits of this approach are that it does not compromise their independence; furthermore, not only do their members readily understand it, but it also significantly extends members' involvement in bargaining strategy as their own ideas and views form its foundation.

As Wise puts it:

"The greatest contribution of the Workers' Plan is that it depends on workers thinking constructively about their own work and people's needs."<sup>78</sup>

As a result, the ACP is based on workers' own view of the aims of industrial production and so creates links between the formation of economic, industrial and social policies.<sup>79</sup>

Both the development of co-operatives and ACPs, then, represent attempts to institutionalise alternative forms of industrial organization which place the interests of labour above those of capital. A co-operative is designed to ensure that production, finance and management are all controlled by the work-force through a directly elected workers' executive committee. ACPs, on the other hand, acknowledge that the interrelationships between plants in multi-plant companies are so complex that the struggle to prevent redundancies must take account of the companies' operations as a whole. Indeed, amongst the new co-operatives, two - SDN and Meriden - were individual plants owned and controlled by multi-plant companies - Beaverbrook's and NVT respectively. As co-operatives, the first failed, opposed by plants in Manchester fearing their own job losses, whilst the second succeeded - but at the expense of the two other plants at Small Heath and Wolverhampton, both of which closed. In neither case, then, had the unions involved formed a company level structure - that is, a joint shop stewards' combine committee - to consider redundancies at company level. Instead, there was a mismatch of levels, with the unions involved fighting at plant level, which was in fact quite inappropriate.

Co-operative organization is, therefore, best suited to single plant enterprises; it is not surprising that the 'second wave' of co-ops in the 1970s, aided by the CDA, ICOM and other agencies, have been small enterprises based on one unit of production, organized and

financed from the start as co-ops.

The ACP of the LACSSC is an organizational breakthrough in union negotiating strategy in a multi-plant multi-national company. It both consolidates and extends the principles of collective bargaining, on which industrial democracy in Britain has traditionally been founded.<sup>80</sup>

Both co-ops and ACPs demonstrate how managerial prerogative - based on discretionary control through the property rights of shareholders - can be challenged. In co-ops management is reduced to a technical function directly accountable to the work-force, and therefore shorn of the need to legitimise itself through property rights. ACPs leave traditional management structures intact, but advance the 'frontier of control' into planning decisions and forward thinking. An ACP presupposes that a union will take positive action - and not simply react in a negative fashion to events outside its control, such as the sudden announcement of closures and redundancies. An ACP rejects management's definition of what may or may not be negotiable, though some authors have correctly noted that co-ordination is required to prevent individual attempts at workers' control from being 'picked off':

"The necessity to encourage workers to make their own Plans, which would then need to be co-ordinated to fit with national resources and needs, would face any workers' government. No changes of ownership, putting enterprises or industries into state hands, will meet the case unless accompanied or preceded by the development of Workers' Plans and this different relationship with workers. State ownership with capitalist philosophy can have more weapons to use against workers even than a private monopoly has. A state-owned boss is not socialist as long as it is a bosses' state. (And a workers' state is a mockery unless the workers are also the planners)."<sup>81</sup>

This is the theme we return to in our general conclusions.

## C O N C L U S I O N S

"There are limits to what we can conceive of, or make intelligible to ourselves, as a possible general structure of experience. The investigation of these limits, the investigation of the set of ideas which forms the limiting framework of all our thought about the world and experience of the world, is, evidently, an important and interesting philosophical undertaking ...."

P. F. Strawson, The Bounds of Sense: an Essay on Kant's Critique of Pure Reason' (London: Methuen, 1973), p.15.



## CHAPTER TWELVE: CONCLUSIONS

The argument of this thesis has reflected the massive paradox which lies at the heart of industrial relations theory: in the absence of any widespread revolutionary movement amongst the working classes in late 20th century Britain, pluralism remains - in any practical sense - the only realistically progressive approach to industrial relations problems even though its assumptions about power in industry are fundamentally wrong.

In contrast to unitarism, pluralism seems to promise both a plausible descriptive account of how industrial relations are conducted as well as a set of reasonable prescriptive conclusions on how they ought to be conducted. Indeed, the unreasonableness of unitarism highlights the reasonableness of pluralism which, in consequence, has maintained its hold amongst many influential writers on industrial relations, some of whom have tried to improve its capacity to resolve problems by refining the principles on which it stands.

Yet pluralism rests on a fundamental misunderstanding about the nature of power in industry when it assumes that both sides enjoy equal resources of it. Such a view focuses on the observable aspects of power - institutional arrangements for taking decisions - and ignores the fact that these arrangements themselves reflect an industrial structure institutionalising disparities of power - in its non-observable aspects - which favour management interests: this structure embraces the division of labour, hierarchical reward systems, a legal framework which protects private property, the pursuit of efficiency, rationalisation and growth - none of which are, as principles, normally open to

discussion or negotiation. An alternative reading of Durkheim - on whose work pluralism draws heavily - reveals that he was, in fact, concerned about the impact of these structural factors on social cohesion and recognised that without equality of power resources - in all its aspects - consensus stood little chance of evolving. In its more sophisticated forms, associated in particular with Alan Fox, pluralism acknowledges the significance of these questions yet not even Fox is able to offer a convincing account of how these structural inequalities may be overcome. Despite their central role in protecting the vital interests of an economy based on the free market, Fox in the end relies on exhortation, education and the 'good sense' of management as the means to illustrate the necessity of change in avoiding social disintegration. But without an account of what might lead managements to draw such conclusions, his theory is like a train without an engine.

Other writers during the 1970s have drawn attention to the emergence of 'corporatism' or at least a 'corporate bias' in British political and industrial life during the 20th century. What is meant, in broad terms, is that governments have induced institutions representing employers and unions - most recently, the CBI and the TUC - to form with them a triangular relationship within which problems can be discussed and solutions jointly pursued. Even if such a tendency exists - and it remains a highly controversial point - it has had little effect on industrial behaviour, and the issue of reducing industrial conflict is still a critical one for many people. Even if the TUC were to become a State corporation it nevertheless faces two major problems: the first is that it has little or no hierarchical control of its affiliated unions

(with expulsion as a weapon of last resort); and the second is that it is unable to manufacture consensus with the memberships of its affiliates, who may well oppose TUC policy (such as over the Social Contract). The independence of the shop steward movement is always likely to curtail severely the significance of the TUC as a State corporation.

Both pluralist and 'corporatist' writers tend to consider shop-floor workers as the 'problem' - as the unruly element which, once controlled, would allow British industry to increase production, compete more efficiently and lead the way to prosperity for all. Because they mis-diagnose the source of conflict at the observable rather than the non-observable level, they tend to see conflict as 'bloody-mindedness' and persistently fail to realise that conflict is not random or arbitrary. It follows patterns, as a protest against tighter management controls, the effects of rationalised production processes, or simply boredom. Workers themselves will not, of course, define their own conflictual behaviour as a 'problem' but instead will rationalise it collectively by reference to a countervailing labourist - or "situational" - ideology which may be either well articulated or not. At an individual level - for example, as expressed through absenteeism or turnover - conflictual behaviour may not be rationalised at all.

It is the motive force of such labourist ideology which Marxists are inclined to over-estimate. In stressing the role of workers in initiating industrial change, they often ignore exactly what the pluralists emphasise too much - the "abstract" ideology to be found in

workers' thinking, that is, the hegemonic or consensual aspects of everyday images of society. Workers usually not only accept, but actively defend, a view of social reality which envelops a national unity, equality of opportunity and democratic consensus - even though their experiences are frequently at variance with such beliefs. On the one hand, then, pluralists and corporatists focus on the "abstract", consensual ideology, and seek to draw it down to the shop-floor while ignoring there the sources of conflict; and on the other hand, conventional Marxists focus on the "situational", conflictual rationales and seek to draw them up to the political level while ignoring there the deeply-rooted nature of hegemonic consensus. Both theories are therefore flawed as each concentrates on only one aspect of workers' attitudes and behaviour.

The implementation of industrial democracy during this period - 1945 to 1980 - is best seen as an attempt to consolidate or advance the 'frontier of control' between management and work-force. It is not surprising, from our previous discussion, that managements have attempted to introduce industrial democracy from the shop-floor, through joint consultation, job restructuring or participation committees, while unions have tended to concentrate on higher levels, in particular extending collective bargaining to decisions made at company level, and in some cases developing closer links with Labour governments in order to promote favourable legislation. Industrial democracy may be analysed in a 'three-dimensional' approach:

- (1) level, at which the 'frontier of control' is located  
(such as plant, company or industry);

- (2) area, or subjects covered (which may range from towels and toilets to planning agreements); and
- (3) degree of influence, or method of influence, used to advance policy (along a spectrum from unilateral management control, consultation, negotiation, to workers' control).

From the management angle, industrial democracy is designed specifically to incorporate workers' shop-floor behaviour. This has always been its aim, although the methods used to implement it may change over time: joint consultation committees are meant to facilitate technical changes in production; job-restructuring is meant to remove the worst excesses of the shop-floor environment, such as excessive sub-division of labour; and participation committees are meant to win the confidence of shop stewards on a range of issues relating to the shop-floor. Management usually attempts to restrict the level of industrial democracy to the shop-floor over a fairly narrow range of areas - and to concede consultation at most, preferably avoiding union representation if at all possible.

However, industrial democracy - from the managerial viewpoint - suffers from two major drawbacks. One is that it also serves as a rallying cry for labour in extending its own influence at the margins of 'observable' power. The term, therefore, is inevitably conceptually ambiguous and its meaning depends on the conditions under which it is used; the possibilities for misunderstanding are immense. The other, more serious, drawback is that industrial democracy, like all pluralist-type policies, fails to come to grips with the real origins of conflict

in their non-observable aspects. A participation scheme, for example, may well delay the outbreak of conflict during the introduction of new technical processes, but only until workers feel that conditions are so altered that protest is called for: absenteeism persists despite job rotation in car plants; industrial action continues despite worker directors in the steel industry; and shop stewards withdraw from participation committees when they feel that they are being manipulated over plant rationalisations. It is, therefore, too simple to conclude, as some commentators have done, that:

"... most schemes for industrial democracy will involve an absorption of workers' representatives into capitalist forms of control, not a transcending of these: they will bring about the more effective integration of workers into existing economic and social relations rather than produce any basic alteration in the capitalist system."<sup>1</sup>

At the observable level of power, workers' representatives may become absorbed if the necessary safeguards - such as regular report-back to the stewards' committee - are not adopted, though this is to overlook the dynamic of the non-observable level. Workers' "situational" or labourist ideology - sustained by continual experience of work-place conflict - will never permit a genuine absorption of the shop-floor itself into the structure of industry as it exists now in neo-capitalist societies (compare the circumstances, for example, under which the shop stewards' movement was originally born during the First World War). In addition, avoidance of schemes for industrial democracy at plant level - that is, the defence of independence for the sake of independence - will not, by itself, lead to a transcending of capitalist forms of control in any case. At most it may preserve a limited factory consciousness. A more practical suggestion for shop-floor representatives would be to

take advantage of all such schemes - management initiated or not - just as long as they can be used to defend constituents' interests, and to withdraw as soon as this becomes impossible; the effect would be to treat schemes like any other collective bargaining situation. A common question at the time of the Bullock Report, for instance, was whether the proposals would lead to a genuine increase in workers' power or not. Our analysis here permits an answer: labour would have gained genuine observable power (which employers feared) because it would have been party to board-level decisions, unless companies had taken evasive action. Yet the moment that labour had accepted the rationality of management decisions in - for instance - closing plants or rationalising production, it would, at that level, have become incorporated into the non-observable aspect of power. Labour's influence, once diverted towards explaining such decisions to the shop-floor, would have become a sham. However, neither decision - to participate or not to participate at board-level - would in itself have led to the transcending of capitalism. This would have required not only a strengthening of the Bullock proposals but also, at least, steps to develop workers' planning at industry and State levels.

Furthermore, once pluralist solutions are considered exhausted, only the unitarist ones - because of "abstract" ideology - appear to remain. It then becomes possible to appeal over the heads of the unions to work-forces directly in the name of 'national unity' and perhaps develop purely cosmetic forms of industrial democracy as well as, more certainly, impose direct control methods in industry through legislating to weaken organized labour - and thereby reduce or remove unions' 'observable' power which is commonly perceived as an impediment

to production, competition and 'national recovery'.

The analysis of industrial relations rendered so far may have given the impression of an uneasy stalemate between government, employers and unions. Such an impression, however, would not be strictly accurate. Since May 1979 Thatcherism has demonstrated one way out by relying on unitarism, direct control and free market economics to break what power the unions have. The costs have included soaring unemployment, de-industrialisation and social disruption on a scale unprecedented since the war.

There is, however, another possible way out which is based on developing the radical aspects of labourist ideology whenever possible within the context of democratic industrial planning. One example we have examined involved the attempts of union trustees on pension fund boards to question the role of investment policy as a means of socialising the economy, though as yet with little active support from their memberships. However, on occasions, workers do break through with their own "abstract" ideology which manages to articulate in a coherent fashion their conflictual work experience. Such examples include the UCS work-in, sit-ins, the use of the social audit and the development of co-operatives and alternative corporate plans (ACPs). The case of UCS in particular illustrates how an embryonic 'socialist hegemony' may emerge when a number of factors coalesce: a radical cultural tradition; the prospect of mass redundancies; an unpopular and reactionary government to blame; a strong and politically conscious leadership; support from the Labour movement at all levels, in particular the national level; and, above all, popular support from all sectors of the population,



united in a sense of outrage.

It may be possible to build on such a movement. For example, it has since been established that workers have a right to occupy their work-place when involved in a trades dispute, such as a closure (under Sections 13(2) and 30 of TULRA) - a decision which clearly strengthens workers' rights in a struggle against the so-called logic of closures and redundancies.<sup>2</sup> In addition, the Labour movement may over time come to recognise the value of democratic control of investment funds, the role of co-operatives and the function of ACPs as alternative methods of socialising industry. ACPs in particular have, up till now, tended to elicit attacks from unions wary of being usurped by shop steward combine committees even though they remain an original response to the problems posed by multi-plant, multi-product, multi-national companies which increasingly dominate both the economy and industrial relations.

Yet over and above all these chances for progress there threatens a series of structural obstacles:

- the unresolved problem of how to combine workers' control at plant-level with genuinely democratic planning at industry and State levels;
- the ability of private interests to provoke a backlash against a government clearly intent on socialising the economy; and, most intransigent perhaps of all,
- the power of international capital to pressurise, harass and destroy domestic socialism.

Examination of these issues necessarily lies outside the remit of this thesis, yet the development - however opportunistically - of a 'socialist hegemony' must be the central aim if we are ever to cast off "the mind-forged manacles"<sup>3</sup> which will otherwise continue to restrict and oppress.

METHODOLOGICAL APPENDIX

The problems of preparing and writing a thesis are wonderfully summed up by Alexander Pope in his poem "A Little Learning", part of which declaims:

"Fired at first sight with what the Muse imparts,  
In fearless youth we tempt the heights of Arts;  
While from the bounded level of our mind  
Short views we take, nor see the lengths behind,  
But, more advanced, behold with strange surprise  
New distant scenes of endless science rise!"

And the poet concludes, rather disconsolately:

"The increasing prospect tires our wandering eyes,  
Hills peep o'er hills, and Alps on Alps arise!"

Quite so. The story of this thesis - and hence its method - is the story of an expedition into the Alps, and then back through the foothills, eventually down to their lower reaches - though not, I hope, as far as the mere bumps and hummocks on the plain.

The thesis began as an ambitious attempt to examine the relationship between Wittgenstein's concept of language games and the sociology of knowledge. It then retreated - for reasons of practical application - to an attempt to examine the role of meaning structures in industry; that is, how the different connotations of industrial terms and expressions might affect the relationships of management, unions and workers on the shop-floor. However, the sheer unlikelihood of access to all three such groups led to a subsequent refinement: the study of one such term - 'industrial democracy' (then in vogue) - and how its meaning might change in the eyes of shop stewards as a particular scheme was implemented. Yet even this project still suffered

from one major drawback - it required a real shop-floor and real shop stewards to study!

So I then visited four companies in Central and Eastern Scotland, all of which operated schemes for industrial democracy in one form or another. However, none of them was willing to grant me sustained access, usually for good reasons (for instance, two were already the subject of research projects considerably more prestigious than my own). I also failed in a subsequent attempt to study the establishment of Fife Enterprises, a holding company designed in 1977 by Fife Regional Council to promote co-operatives in the area.

After well over a year, the Alps were still too close for comfort, but fortunately I had two decisive discussions. The first was with Professor Tom Burns, who advised me to avoid an empirical study altogether in favour of the more rewarding task of attempting a theoretical overview of all the other empirical studies of industrial democracy. The second was with my friend and colleague, John Rodger, who suggested that I might try the angle of incorporation, and directed my reading towards Gramsci. From then on, regular discussions with fellow students - in particular John Holford and John Rodger - were the main 'sounding-board' of my developing ideas on the role of industrial democracy in British industrial relations. There is no doubt that had I not written a theoretical thesis I would not have written any thesis at all.

This thesis, then, in its final form, is based on a mix of the following methods:

- Library research and literature surveys.

- Visits and interviews at A. H. McIntosh (Kirkcaldy) which operates 'open' management and joint consultation; Scottish and Newcastle Breweries (Edinburgh) which has introduced job restructuring; Tannoy (Coatbridge), also with job restructuring on a major scale; and Wilkie and Paul (Edinburgh) which runs a joint consultative committee. (An attempt to visit KME, the co-operative in Kirkby, fell through after discussions.)

- Extended visits to the TUC and Labour Party libraries in London in order to gain access to more specialised, historical material on industrial democracy.

- A postal survey (March 1977) of around 80 employers' associations, trade unions, professional institutions and large private companies on their attitudes towards the Bullock Committee and Reports.

- Personal interviews with Tom Burns, Tony Eccles, Alan Fox, J. F. B. Goodman and Ray Loveridge on aspects of my work, in addition to correspondence.

- A case study of an occupational pension fund which I carried out and wrote up during almost two years (1978-1980) at Ruskin College, Oxford, as a Research Officer on an SSRC financed project investigating the use which trade unions make of company information. For the purposes of this thesis I abridged and re-interpreted the original case study.

- A return to library research and in-depth scanning of the literature in the light of the emerging focus of the thesis.

This research has not involved exact hypothesis testing. The returns from the postal survey represented very small samples of the total populations and were not statistically representative:

TABLE FIVE

Type	Number surveyed	Number replying	Percentage replying
Employers' organizations	24	17	70.8
Trade unions	27	15	55.6
Professional institutions	13	10	76.9
Private companies	2	2	100.0
Nationalized concerns	8	5	62.5
Total	82	56	68.3

All the same, this survey met its main objective, which was to gain an overall impression of organized opinion about Bullock, the most important initiative taken on industrial democracy in Britain during the 1970s.

These sources, then, taken together were used to build up a theoretical approach to industrial democracy as the 'frontier of control' between management and labour at different levels of industry; and to analyse the significance of industrial democracy as just one set of relationships between management and labour (another being, for example, direct control) as well as the circumstances under which each of its various forms was most likely to evolve.

An extended consideration of the European experience of industrial democracy was abandoned for reasons of time and space. However, there is nothing in this experience which - in my understanding - would radically alter the conclusions arrived at for Britain.

### Notes and References

All emphases are in original quotations unless indicated by the words 'emphasis added'.

Abbreviations are listed on pp.(i)-(iii) of the thesis.

#### Notes and References: Introduction (pp.(viii)-(xiii))

1. Keith Middlemas, Politics in Industrial Society: the Experience of the British System since 1911 (London: André Deutsch, 1980), p.461.
2. Carter L. Goodrich, The Frontier of Control: a Study in British Workshop Politics (1920: rpt. London: Pluto Press, 1975).
3. Gunnar Myrdal, The Political Element in the Development of Economic Theory (London: Routledge and Kegan Paul, 1971), p.22.
4. William Morris, "How We Live and How We Might Live", in William Morris, ed. G. D. H. Cole (1934; rpt. New York: Nonesuch Press, 1974), pp.565-587.

Notes and References: Chapter One (pp.1-23)

1. For a definition of the Industrial Revolution, see D. S. Landes, The Unbound Prometheus (Cambridge: CUP, 1969), Ch. 2, esp. p.41.
2. For an evaluation of the debate surrounding these issues see E. P. Thompson, The Making of the English Working Class (Harmondsworth: Penguin, 1981), Ch. 6, esp. pp.226-232.
3. Karl Marx, The Communist Manifesto (Harmondsworth: Penguin, 1968), pp.82-83.
4. Ibid., p.105.
5. George Dalton, Economic Systems and Society (Harmondsworth: Penguin, 1968), p.41.
6. G. M. Trevelyan, English Social History (London: Longmans, 1945), p.546.
7. Ben Hooberman, An Introduction to British Trade Unions (Harmondsworth: Penguin, 1974), Ch. 1; Henry Pelling, A History of British Trade Unionism (Harmondsworth: Penguin, 1967), Parts 1 and 2; Sidney and Beatrice Webb, The History of Trade Unionism (London: Chiswick Press, 1898).
8. Karl Marx, "Wages, Price and Profit", in Karl Marx and Frederick Engels: Selected Works in One Volume (London: Lawrence and Wishart, 1970), p.209.
9. Robin Blackburn, "The Unequal Society", in The Incompatibles: Trade Union Militancy and the Consensus, ed. Robin Blackburn and Alexander Cockburn (Harmondsworth: Penguin Special, 1967), p.39.
10. J. E. T. Eldridge, "Industrial Relations and Industrial Capitalism", in People and Work, ed. G. Esland, G. Salaman and M. Speakman (Milton Keynes: Open University Press, 1975), p.309.
11. Carter L. Goodrich, The Frontier of Control (1920; rpt. London: Pluto Press, 1975).
12. E. P. Thompson, "Time, Work-Discipline and Industrial Capitalism", Past and Present, No. 38 (Dec. 1967), pp.56-97.
13. Harry Braverman, Labor and Monopoly Capital (New York and London: Monthly Review Press, 1974), p.65.
14. Ibid., p.68.
15. John Child, British Management Thought (London: Allen and Unwin, 1969), p.13.
16. Ibid., p.23.



17. For example, in response to the question "What is management?" one text-book replies: "Putting it into very broad, general terms, 'management' is concerned with seeing that the job gets done: its tasks all centre on planning and guiding the operations that are going on in the enterprise". E. F. L. Brech, ed., The Principles and Practice of Management (London: Longmans, 1955), p.8.
18. P. F. Drucker, Management: Tasks, Responsibilities, Practices (London: Heinemann, 1974), p.6.
19. Giles Radice, ed., Working Power, Fabian Tract 431 (London: Fabian Society, 1974), p.5.
20. Ibid., p.6.
21. For an introduction to individual management thinkers, see H. R. Pollard, Developments in Management Thought (London: Heinemann, 1974).
22. Alan Fox, Industrial Sociology and Industrial Relations, Royal Commission on Trade Unions and Employers' Associations Research Paper 3 (London: HMSO, 1966).
23. Ibid., para. 9, p.3.
24. Conservative Manifesto 1979 (London: Conservative Central Office, April 1979), p.9.
25. Henry Ford, My Life and Work (London: Heinemann, 1923), p.265.
26. Conservative Manifesto, p.9.
27. Andrew Sykes, The Crisis in Labour Relations, Salisbury Papers 5 (London: The Salisbury Group, 1979), n.p. [p.8].
28. Alan Fox, Beyond Contract: Work, Power and Trust Relationships (London: Faber and Faber, 1974), p.251.
29. A Group of Conservative Trade Unionists, Participation - A New Way Ahead, forward (sic) by the Rt. Hon. James Prior, MP (London: CTU, n.d. [1978?]), p.6.
30. Fox, Beyond Contract, p.251.
31. Conservative Trade Unionists, p.5.
32. The One Nation Group of MPs, One Nation at Work (London: Conservative Political Centre, May 1976), p.7.
33. See, for instance, the Bullock Report, Minority Report, paras. 23-7, pp.175-6.

34. Stephen Abbott, How to Bring Democracy and Participation to the Trade Unions (London: Aims for Freedom and Enterprise, February 1976), p.4.
35. For a discussion of "the mainsprings of conflict" in industrial relations, see Richard Hyman, Strikes (London: Fontana, 1974), Ch. 4, esp. pp.83-94.
36. Sir Frederic Hooper, Management Survey (Harmondsworth: Penguin, 1960), p.117.
37. Ibid., p.119.
38. Ibid., p.119.
39. Ibid., p.120.
40. Branko Pribićević, The Shop Stewards' Movement and Workers' Control, 1910-1922 (Oxford: Basil Blackwell, 1959), Ch. 2.
41. Fox, Industrial Sociology, para. 28, p.7.
42. Chris Argyris, "The Organization: What Makes it Healthy?", Harvard Business Review, Vol. 36, No. 6 (1958), pp.107-116.
43. Donovan Report, para. 59, p.15.
44. Fox, Industrial Sociology, para. 13, p.4.
45. Carole Pateman, Participation and Democratic Theory (Cambridge: CUP, 1975), Ch. 1, esp. pp.15-16.
46. See, for example, Norman Macrae, "The People We Have Become: A Survey of What's Gone Right and Wrong with Britain", The Economist, 28 April-4 May 1973, 36 page insert between pp.60-1.
47. Department of Employment, The Reform of Collective Bargaining at Plant and Company Level, Manpower Papers No. 5 (London: HMSO, 1971), p.1.
48. Alan Fox, "Industrial Relations: a Social Critique of Pluralist Ideology", in Man and Organization, ed. John Child (London: Allen and Unwin, 1973), pp.203-5.
49. Ralf Dahrendorf, Class and Class Conflict in Industrial Society (London: RKP, 1976), p.180.
50. Ibid., p.186.
51. Roy Lewis, "The Historical Development of Labour Law", in BJIR, Vol. 14 (1976), pp.1-17.
52. E. H. Phelps Brown, The Growth of British Industrial Relations (London: Macmillan, 1959), pp.123-4.

53. J. F. B. Goodman and T. G. Whittingham, Shop Stewards (London: Pan Books, 1973), pp.199-200.
54. Ford, p.254.
55. Elton Mayo, Human Problems of an Industrial Civilization (New York: Macmillan, 1933); Social Problems of an Industrial Civilization (Boston: Harvard Graduate School of Business Administration, 1946); Political Problems of an Industrial Civilization (Boston: Harvard Graduate School of Business Administration, 1947); F. J. Roethlisberger and William J. Dickson, Management and the Worker (New York: John Wiley and Sons, 1964).
56. Child, British Management Thought, pp.168-175.
57. Tom Burns and G. M. Stalker, The Management of Innovation (London: Tavistock Publications, 1971).
58. Tom Lupton and Sheila Cunnison, "Workshop Behaviour" in Closed Systems and Open Minds, ed. Max Gluckman (London: Oliver and Boyd, 1964), pp.103-128.
59. Robert Blauner, Alienation and Freedom (Chicago: University of Chicago Press, 1964); John Goldthorpe, "Technical Organization as a Factor in Supervisor-Worker Conflict", in BJS, Vol. 10 (1959), pp.213-230; E. L. Trist and K. W. Bamforth, "Technicism: Some Effects of Material Technology on Managerial Methods and on Work Situation and Relationships", in Industrial Man, ed. Tom Burns (Harmondsworth: Penguin, 1969), pp.331-358; Joan Woodward, Management and Technology, Department of Industry: Problems of Progress in Industry Series, No. 3 (London: HMSO, 1958).
60. Adjustment of Workers to Technical Change at Plant Level, Report of Int. Conf. 15-18 Nov. 1966 (Paris: OECD, Manpower and Social Affairs Directorate, 1967), p.28.
61. David Silverman, "Formal Organizations or Industrial Sociology: towards a Social Action Analysis of Organizations", Sociology, Vol. 2 (1968), pp.221-238.
62. Tom Lupton, "Industrial Conflict", New Society, 14 November 1963, pp.11-13.
63. Child, British Management Thought, p.205.
64. Ibid., Ch. 8.
65. Mildred Wheatcroft, The Revolution in British Management Education (London: Pitman, 1970), p.13.
66. V. L. Allen, Militant Trade Unionism (London: Merlin Press, 1972), p.98.

67. Otto Kahn-Freund, Labour and the Law (London: Stevens and Sons, 1977), pp.52-3.
68. See, for example, Allan Flanders, Industrial Relations: What is Wrong with the System? (London: Institute of Personnel Management, 1966).

Notes and References: Chapter Two (pp.24-59)

1. For a full analysis of this neo-Durkheimian critique, see Bernard H. Casey, "Industrial Relations - Back to Durkheim?", unpublished paper, London School of Economics (Oct. 1976).
2. J. H. Goldthorpe, "Industrial Relations in Great Britain: A Critique of Reformism", in Trade Unions Under Capitalism, ed. Tom Clarke and Laurie Clements (Glasgow: Fontana/Collins, 1977), p.184.
3. Ludwig Wittgenstein, Philosophical Investigations (Oxford: Basil Blackwell, 1968), paras. 65-71, pp.31-34.
4. Goldthorpe, p.216, note 2.
5. H. A. Clegg, "Pluralism in Industrial Relations", BJIR, Vol. 13 (1975), pp.309-316.
6. Allan Flanders, Trade Unions (London: Hutchinson, 1972), pp.122-3.
7. Allan Flanders, "Collective Bargaining: a Theoretical Analysis", in his Management and Unions: The Theory and Reform of Industrial Relations (London: Faber and Faber, 1975), pp.213-240.
8. Allan Flanders and Alan Fox, "Collective Bargaining: From Donovan to Durkheim", in Flanders' Management and Unions, pp.241-276.
9. H. A. Clegg, Introd., Management and Unions, p.7.
10. Allan Flanders, "Collective Bargaining: Prescription for Change", in his Management and Unions, pp.155-211.
11. George Bain, "Allan Flanders: Socialist Extraordinary - Industrial Relations", Socialist Commentary (Dec. 1973), p.7.
12. Flanders, "Collective Bargaining: a Theoretical Analysis", p.215.
13. Ibid., p.216.
14. Ibid., pp.218-9.
15. Ibid., p.219.
16. Ibid., p.221.
17. Ibid., p.225.
18. Neil W. Chamberlain and James W. Kuhn, Collective Bargaining (New York: McGraw-Hill, 1965), Ch. 5, esp. p.113.
19. Flanders, "Collective Bargaining: a Theoretical Analysis", p.232.

20. Ibid., p.236.
21. Ibid., p.238.
22. Allan Flanders, "Industrial Relations: What is Wrong with the System?" in his Management and Unions, pp.94-99.
23. Donovan Report, para. 143, p.36.
24. Ibid., para. 150, p.36.
25. Flanders and Fox, p.247.
26. Ibid., p.249.
27. Ibid., p.251.
28. Ibid., p.255.
29. Emile Durkheim, The Division of Labour in Society, trans. George Simpson (1933; rpt. New York: The Free Press, 1964), pp.2-3; quoted by Flanders and Fox, pp.258-9.
30. Flanders and Fox, p.265.
31. Flanders, "Collective Bargaining: Prescription for Change", p.209.
32. Steven Lukes, "Alienation and Anomie", in Philosophy, Politics and Society, Third Series, ed. Peter Laslett and W. G. Runciman (Oxford: Basil Blackwell, 1969), p.149.
33. Durkheim, p.396.
34. Ibid., p.43.
35. Ibid., pp.400-1.
36. Anthony Giddens, Capitalism and Modern Social Theory: an Analysis of the Writings of Marx, Durkheim and Max Weber (Cambridge: CUP, 1974), p.77.
37. John T. Dunlop, Industrial Relations Systems (Southern Illinois: University Press, 1958), p.383; p.18.
38. For a critique of such selective reading of Durkheim, see Alessandro Pizzorno, "Lecture Actuelle de Durkheim", Archives Européennes de Sociologie (European Journal of Sociology), Vol. 4 (1963), pp.1-36.
39. Durkheim, p.368.
40. Ibid., p.377.
41. Ibid., p.377.

42. Ibid., p.378.
43. Ibid., p.379.
44. Ibid., pp.380-1. (Emphasis added)
45. Ibid., p.381.
46. Emile Durheim, Professional Ethics and Civic Morals, trans. Cornelia Brookfield (London: RKP, 1957), pp.213-4; quoted by Casey, p.10d.
47. Durkheim, The Division of Labour, p.353.
48. Fox, Industrial Sociology and Industrial Relations, Royal Commission on Trade Unions and Employers' Associations, Research Paper 3 (London: HMSO, 1966).
49. W. E. J. McCarthy, The Role of Shop Stewards in British Industrial Relations, Royal Commission on Trade Unions and Employers' Associations Research Paper 1 (London: HMSO, 1966).
50. Arthur Marsh and W. E. J. McCarthy, Disputes Procedures in British Industry, Royal Commission on Trade Unions and Employers' Associations Research Paper 2, Parts 1 and 2 (London: HMSO, 1966).
51. George Bain, Trade Union Growth and Recognition, Royal Commission on Trade Unions and Employers' Associations Research Paper 6 (London: HMSO, 1966).
52. Alan Fox, Man Mismanagement (London: Hutchinson, 1974), Preface, n.p.
53. Ibid., Preface, n.p.
54. Ibid., pp.3-4.
55. Fox, Beyond Contract (London: Faber and Faber, 1974), p.14.
56. Ibid., p.64.
57. Ibid., pp.68-9.
58. Ibid., p.365.
59. Fox, "Industrial Relations: a Social Critique", p.217.
60. Ibid., p.222.
61. Ibid., pp.219-220.
62. J. Playford, "The Myth of Pluralism" in Decisions, Organizations and Society, ed. F. G. Castles et al. (Harmondsworth: Penguin, 1976), pp.381-2.

63. Ibid., p.388.
64. Ibid., p.385.
65. Ralph Miliband, The State in Capitalist Society (London: Quartet Books, 1973), pp.73-4.
66. Alan Fox, A Sociology of Work in Industry (London: Collier-Macmillan, 1971), p.139.
67. Fox, Man Mismanagement, pp.139-40.
68. Ibid., p.140.
69. Personal interview with J. F. B. Goodman, 15 August 1978.
70. Fox, Beyond Contract, p.366.
71. Fox, Man Mismanagement, p.176.
72. Stephen Wood and Ruth Elliott, "A Critical Evaluation of Fox's Radicalization of Industrial Relations Theory", Sociology, Vol. 11 (Jan. 1977), pp.105-125.
73. Fox, Beyond Contract, p.366.



Notes and References: Chapter Three (pp.60-92)

1. Fox, Beyond Contract (London: Faber and Faber, 1974), p.366.
2. Bertrand Russell, "The Ancestry of Fascism", in In Praise of Idleness (1935; rpt. London: Unwin Books, 1973), p.56; see also José Ortega y Gasset, The Revolt of the Masses (1930; trans. 1932; London: Unwin Books, 1969), pp.56-7.
3. Fox, Beyond Contract, p.286.
4. Anthony Giddens, The Class Structure of the Advanced Societies (London: Hutchinson, 1974), p.121.
5. Ibid., p.121.
6. Ibid., p.122.
7. Ibid., p.121.
8. Ibid., p.122.
9. Steven Lukes, Power: a Radical View (London: Macmillan, 1974).
10. In particular, R. A. Dahl, Who Governs? Democracy and Power in an American City (New Haven and London: Yale University Press, 1961).
11. In particular, N. W. Polsby, Community Power and Political Theory (New Haven and London: Yale University Press, 1963).
12. Lukes, p.15.
13. Peter Bachrach and Morton S. Baratz, Power and Poverty. Theory and Practice (New York: OUP, 1970), Ch. 1.
14. E. E. Schattschneider, The Semi-Sovereign People: A Realist's View of Democracy in America (New York: Holt, Rinehart and Winston, 1960), p.71.
15. Lukes, p.20.
16. Ibid., p.23.
17. Ibid., pp.24-5.
18. Dorothy Emmet, "The Concept of Power", Proceedings of the Aristotelian Society, New Series, Vol. 54 (1953/4), p.26.
19. C. J. Friedrich, "Authority, Reason and Discretion" in NOMOS, Vol. I on Authority (Cambridge, Mass.: Harvard University Press, 1958), p.35.
20. Peter Winch, "Authority", Aristotelian Society, Supp. Vol. 32 (1958), p.228.

21. Daniel Bell, The Coming of Post-Industrial Society (London: Heinemann, 1974), pp.37-40, 371-8; Ralf Dahrendorf, Class and Class Conflict in Industrial Society (London: RKP, 1969), Ch. 2.
22. James Burnham, The Managerial Revolution (Harmondsworth: Penguin, 1945), Ch. VI, esp. p.66.
23. G. C. Archibald, "Static Alternatives to Profit Maximization", in The Theory of the Firm, ed. G. C. Archibald (Harmondsworth: Penguin, 1971), pp.249-251.
24. Peter Drucker, The Unseen Revolution: How Pension Fund Socialism Came to America (London: Heinemann, 1976), pp.2-3; discussed by Richard Minns, Pension Funds and British Capitalism (London: Heinemann, 1980), pp.1-20.
25. For a discussion of these issues see Stephen Hill, Competition and Control at Work (London: Heinemann, 1981), Chapters 9-10.
26. Giddens, p.164.
27. Ibid., p.175.
28. Ibid., p.176.
29. The standard biography is Giuseppe Fiori, Antonio Gramsci, Life of a Revolutionary, trans. Tom Nairn (London: New Left Books, 1970; New York: E. P. Dutton, 1971).
30. James Joll, Gramsci, Modern Masters Series (Glasgow: Fontana/Collins, 1977), p.7.
31. See, for example, Phil Cozens, Twenty Years of Antonio Gramsci; a Bibliography of Gramsci and Gramsci Studies published in English, 1957-1977 (London: Lawrence and Wishart, 1977).
32. For an examination of the development of Gramsci's thought, see Alastair Davidson, Antonio Gramsci: Towards an Intellectual Biography (London: Merlin Press, 1977; New Jersey: Humanities Press, 1977).
33. Chantal Mouffe, "Hegemony and Ideology in Gramsci", in Gramsci and Marxist Theory, ed. Chantal Mouffe (London: RKP, 1979), p.170.
34. Victor Kiernan, "Gramsci and Marxism" in Socialist Register 1972, p.6.
35. Mouffe, "Hegemony and Ideology", pp.168-204.
36. Gwyn A. Williams, "The Concept of 'Egemonia' in the Thought of Antonio Gramsci: some Notes on Interpretation", Journal of the History of Ideas, Vol. 21 (1960), p.587.
37. Roger Simon, "Gramsci's Concept of Hegemony", Marxism Today (March 1977), p.78.

38. Stuart Hall, Bob Lumley and Gregor McLennan, "Politics and Ideology: Gramsci", in On Ideology, Centre for Contemporary Studies (London: Hutchinson, 1978), p.49.
39. Tom Nairn, "The British Economic Elite", New Left Review, No. 23 (Jan.-Feb. 1964), p.19.
40. John Merrington, "Theory and Practice in Gramsci's Marxism", in Socialist Register 1968, p.153.
41. G. Nowell-Smith, "The Question of Hegemony", Radical Philosophy, No. 5 (Summer 1973), p.24.
42. Williams, p.587.
43. Lukes, p.57.
44. Quentin Hoare and G. Nowell-Smith, Introd., Selections from the Prison Notebooks of Antonio Gramsci, ed./trans. Q. Hoare and G. Nowell-Smith (London: Lawrence and Wishart, 1971), p.lx.
45. Ibid., p.lxiii.
46. Perry Anderson, "The Antinomies of Antonio Gramsci", New Left Review, No. 100 (Nov. 1976-Jan. 1977), p.42.
47. Ibid., p.21.
48. Ibid., pp.8-11; Antonio Gramsci, "State and Civil Society", in Selections from the Prison Notebooks, pp.234-5.
49. Anderson, p.22.
50. Ibid., p.32.
51. Ibid., p.30.
52. Ibid., p.25.
53. See, for example, Bertoldt Brecht, "Szene 10: Der Spitzel", Furcht und Elend des Dritten Reiches (Frankfurt-am-Main: Rowohlt Verlag, 1965), pp.83-96.
54. Anderson, p.13.
55. J. E. T. Eldridge, Sociology and Industrial Life, (London: Nelson, 1973), p.200.
56. Ibid., p.201.
57. Herbert Marcuse, One Dimensional Man (London: RKP, 1964), p.3; quoted by Eldridge, p.202.
58. Herbert Marcuse, Counter-revolution and Revolt (London: Allen Lane, the Penguin Press, 1972), p.28.

59. Antonio Gramsci, "Il Materialismo Storico e la Filosofia di Benedetto Croce", in Collected Works, Vol. II (1948), pp.5-6; quoted by Joseph Femia, "Hegemony and Consciousness in the Thought of Antonio Gramsci", Political Studies, Vol. 23 (1975), p.33.
60. Femia, p.33.
61. Philip E. Converse, "The Nature of Belief Systems in Mass Publics" in Ideology and Discontent, ed. David E. Apter (New York: The Free Press of Glencoe, 1964), pp.206-261.
62. J. Cousins, "The Non-Militant Shop Steward", New Society, 3 Feb. 1972, pp.226-8.
63. Femia, p.33.
64. Frank Parkin, Class Inequality and Political Order (St. Albans: Paladin, 1975), p.95.
65. Ibid., p.95.
66. Michael Mann, Consciousness and Action among the Western Working Class (London: Macmillan, 1973), pp.12-13.
67. However, for a discussion of the origins of mechanistic materialism in some schools of Marxism, see Shlomo Avineri, The Social and Political Thought of Karl Marx (Cambridge: CUP, 1971), Ch. 3, esp. pp.66-67.
68. Michael Mann, "The Social Cohesion of Liberal Democracy", ASR, Vol. 35 (1970), p.437. (Emphasis added)

Notes and References: Chapter Four (pp.93-120)

1. Ken Coates, "Is Socialism Possible?", in Essays on Industrial Democracy (Nottingham: Spokesman Books, 1971), p.53.
2. Ibid., p.53.
3. John H. Goldthorpe et al., The Affluent Worker: Industrial Attitudes and Behaviour, Cambridge Studies in Sociology 1 (Cambridge: CUP, 1968); John H. Goldthorpe et al., The Affluent Worker: Political Attitudes and Behaviour, Cambridge Studies in Sociology 2 (Cambridge: CUP, 1968); John H. Goldthorpe et al., The Affluent Worker in the Class Structure, Cambridge Studies in Sociology 3 (Cambridge: CUP, 1969).
4. W. G. Runciman, Relative Deprivation and Social Justice (Harmondsworth: Penguin Books, 1972), pp.31-2.
5. Stephen Mennell, Sociological Theory: Uses and Utilities (London: Nelson, 1974), p.128.
6. J. E. T. Eldridge, "Industrial Relations and Industrial Capitalism", in People and Work, ed. G. Esland, G. Salaman and M. Speakman (Milton Keynes: Open University Press, 1975), p.316.
7. Norman St. John-Stevs, "The Disappearing Consensus", in Why is Britain becoming harder to govern?, ed. Anthony King (London: BBC, 1976), p.59.
8. Michael Mann, "The Social Cohesion of Liberal Democracy", ASR, Vol. 35 (1970), pp.423-4.
9. There is also a problem sometimes in distinguishing between beliefs and values; see Gunnar Myrdal, Objectivity in Social Research (London: Duckworth, 1970), Chapters 3-4.
10. Mann, p.432.
11. Alan Fox, A Sociology of Work in Industry (London: Collier-Macmillan, 1971), pp.8-10.
12. See, for example, C. B. Macpherson's outline of 'equilibrium democracy' in his The Life and Times of Liberal Democracy (Oxford: OUP, 1977), Ch. 4.
13. T. H. Marshall, "Citizenship and Social Class", in Sociology at the Crossroads and other Essays (London: Heinemann, 1963), p.74.
14. Ibid., p.73.
15. Ibid., p.90. (Emphasis added)
16. Ibid., p.122.

17. R. Bendix, Nation-Building and Citizenship (New York and London: Wiley and Sons, 1964), pp.101-2.
  18. Ralph Miliband, Parliamentary Socialism (London: Merlin Press, 1973), esp. p.13.
  19. Part of Clause IV(4) of the Labour Party Constitution, as printed on membership cards.
  20. Frank Field, Unequal Britain: A Report on the Cycle of Inequality (London: Arrow Books, 1974); Peter Wedge and Hilary Prosser, Born to Fail? (London: Arrow Books, 1973).
  21. Michael Barratt Brown, "The Welfare State in Britain", in Socialist Register 1971, pp.197-205.
  22. For a discussion of this view see Peter Leonard, "Restructuring the Welfare State", Marxism Today (Dec. 1979), pp.7-13; Colin Duncan, Low Pay - its Causes, and the Post-war Trade Union Response (Letchworth: Research Studies Press, 1981), pp.71-2.
  23. J. Cunningham, "The Cuts you heal with a Wallet", Guardian, 9 Feb. 1981, p.13.
  24. Dorothy Wedderburn, "Facts and Theories of the Welfare State", Socialist Register 1965, pp.127-146; Frances F. Piven and Richard A. Cloward, Regulating the Poor: the Functions of Public Welfare (London: Tavistock, 1972), esp. p.xiii.
  25. Quoted by Peter Brannen et al., The Worker Directors: a Sociology of Participation (London: Hutchinson, 1976), p.3.
  26. Eric A. Nordlinger, The Working-Class Tories: Authority, Deference and Stable Democracy (London: Macgibbon and Kee, 1967), p.13.
- For an analysis of the appeal of 'authoritarian populism' since the mid 1970s, see Stuart Hall, "The Great Moving Right Show", Marxism Today (Jan. 1979), pp.14-20.
27. H. F. Moorhouse, "The Political Incorporation of the British Working Class: an Interpretation", Sociology, Vol. 7 (1973), pp.341-359.
  28. Engels made such an analysis; see Richard Hyman, Marxism and the Sociology of Trade Unionism (London: Pluto Press, 1973), pp.8-11.
  29. Moorhouse, p.353.
  30. Ibid., p.353.
  31. Ibid., pp.344-353.
  32. Ibid., p.354.
  33. Steven Lukes, "Political Ritual and Social Integration", Sociology, Vol. 9 (1975), p.301.

34. Ibid., p.302.
35. Ibid., pp.304-5.
36. "Conditions (today), of course, are different from the Thirties. Welfare State benefits stop those who have lost their jobs from sinking into real penury". From "A Disunited Kingdom", Editorial, The Observer, 4 Jan. 1981, p.10.
37. J. T. Winkler, "Corporatism", European Journal of Sociology, Vol. 17 (1976), p.103.
38. Ibid., p.100.
39. For a discussion of the structural reasons behind this trend, see Michael Barratt Brown, "The Limits of the Welfare State", in Can the Workers run Industry?, ed. Ken Coates (London: Sphere Books, 1968), pp.19-35.
40. The Social Contract 1976-77 (London: TUC, n.d. [1977]).
41. Such a process does take place in Sweden, for example. See G. K. Ingham, Strikes and Industrial Conflict - Britain and Scandinavia (London: Macmillan, 1974), Chapters 4 and 5.
42. David Marsh and Wyn Grant, "Tripartism: Reality or Myth", Government and Opposition, Vol. 12 (1977), p.197.
43. Ibid., p.197.
44. Ibid., p.201.
45. Ibid., p.210.
46. For broadly similar conclusions in relation to Britain, see: Colin Crouch, "The Intensification of Industrial Conflict in the United Kingdom", in The Resurgence of Class Conflict in Western Europe since 1968, Vol. 1, National Studies, ed. C. Crouch and A. Pizzorno (London: Macmillan, 1978), pp.251-3; Stephen Hill, Competition and Control at Work (London: Heinemann, 1981), pp.249-256; Leo Panitch, Social Democracy and Industrial Militancy (Cambridge: CUP, 1976), pp.246-253.
47. Ralph Miliband, The State in Capitalist Society (London: Quartet Books, 1973), p.186.
48. Winkler, p.133.
49. An analysis which is undertaken by Paul Corrigan, "Popular Consciousness and Social Democracy", Marxism Today (Dec. 1979), pp.14-17.
50. Winkler, p.134.

51. J. M. Cousins and R. L. Davis, "'Working Class Incorporation' - A Historical Approach with Reference to the Mining Communities of S.E. Northumberland 1840-1890", in The Social Analysis of Class Structure, ed. Frank Parkin (London: Tavistock Publications, 1974), pp.276-7.
52. Karl Marx, Letter to Liebknecht, 11 February 1878, quoted by Hyman, Marxism and the Sociology of Trade Unionism, p.9 (see also Hyman's discussion of Michels' 'iron law of oligarchy', pp.14-17).
53. For a case study see Huw Beynon and Hilary Wainwright, "The Changing Thoughts of Lord Robens of Woldingham", in The Workers' Report on Vickers (London: Pluto Press, 1979), pp.34-5; for an account of the Labour movement's views on honours, see W. G. Runciman, Relative Deprivation and Social Justice (Harmondsworth: Penguin, 1972), pp.124-7.
54. Erving Goffman, The Presentation of Self in Everyday Life (Harmondsworth: Penguin, 1974), pp.133-4.
55. See also Erving Goffman, Encounters (Harmondsworth: Penguin, 1972), p.114.
56. Guenther Roth, The Social Democrats in Imperial Germany: a Study in Working Class Isolation and National Integration (New Jersey: Bedminster Press, 1963), p.8.
57. For a survey of such clauses see Ken Gill, "Marxism and the Trade Unions", Marxism Today (June 1974), pp.165-6.
58. H. A. Clegg, A New Approach to Industrial Democracy (Oxford: Basil Blackwell, 1960), p.22.
59. Perry Anderson, "Origins of the Present Crisis", New Left Review, No. 23 (Jan./Feb. 1964), p.41.
60. E. P. Thompson, "The Peculiarities of the English", in Socialist Register 1965, p.344.
61. Ibid., p.354.
62. See, for instance, Richard Hyman, Foreword, The Frontier of Control, by Carter L. Goodrich (London: Pluto Press, 1975), pp.xxvii-xxx.
63. Paul Ferris, The New Militants: Crisis in the Trade Unions (Harmondsworth: Penguin, 1972), Ch. 2.
64. D. Lockwood, "Sources of Variation in Working Class Images of Society", Sociol. Rev., Vol. 14 (1966), pp.249-267.
65. John Saville, "The Ideology of Labourism" in Knowledge and Belief in Politics: the Problem of Ideology, ed. R. Benewick et al. (London: Allen and Unwin, 1973), pp.215-6.
66. Ibid., p.226.



67. Richard Hyman, "Workers' Control and Revolutionary Theory", in Socialist Register 1974, pp.241-278.
68. Michael Barratt Brown et al., "Workers' Control versus 'Revolutionary' Theory", in Socialist Register 1975, p.298.
69. Ibid., p.302
70. Ibid., p.297.
71. See for example Stuart Holland, The Socialist Challenge (London: Quartet Books, 1978), pp.37-8.
72. Perry Anderson, "The Limits and Possibilities of Trade Union Action", in Trade Unions under Capitalism, ed. Tom Clarke and Laurie Clements (Glasgow: Fontana/Collins, 1978), p.333.
73. In a few neo-capitalist societies, the union movement does have a role in running industry. For a discussion of the Histadrut in Israel, for example, see Paul Blumberg, Industrial Democracy: the Sociology of Participation (London: Constable, 1971), pp.150-6.

Notes and References: Chapter Five (pp.121-144)

1. Jack Jones, "Unions Today and Tomorrow", in The Incompatibles: Trade Union Militancy and the Consensus, ed. R. Blackburn and A. Cockburn (Harmondsworth: Penguin, 1967), p.122.
  2. For discussions on the range of industrial conflict see Pierre Dubois, Sabotage in Industry, trans. Rosemary Sheed (Harmondsworth: Penguin, 1979), Ch. 1; Ernie Johnston, Industrial Action (London: Arrow, 1975).
- Inflation itself may be seen as a manifestation of industrial conflict: John H. Goldthorpe, "The Current Inflation: Towards a Sociological Account", in Fred Hirsch and J. H. Goldthorpe, eds., The Political Economy of Inflation (London: Martin Robertson, 1978), pp.186-216.
3. Robin Blackburn, "The Unequal Society", in The Incompatibles, pp.48-51.
  4. A case study can be found in Mick Jenkins, Time and Motion Strike, Manchester 1934-7: the Wiredrawers' Struggle against the Bedaux System at Richard Johnson's, Our History Series, Pamphlet 60 (London: History Group of the Communist Party, Autumn 1974).
  5. L. Sayles, Behaviour of Industrial Work Groups (New York: John Wiley and Sons, 1958), p.166, as quoted by Alan Fox, Industrial Sociology and Industrial Relations, Royal Commission on Trade Unions and Employers' Associations Research Paper 3 (London: HMSO, 1966), p.21.
  6. R. H. Guest, "Work Careers and Aspirations of Automobile Workers", ASR, Vol. 19 (1954), pp.155-163.
  7. Geoffrey K. Ingham, "Organizational Size, Orientation to Work and Industrial Behaviour", Sociology, Vol. 1 (1967), pp.239-258.
  8. Earl Hopper, "Some Effects of Supervisory Style", BJS, Vol. 16 (1965), pp.189-205.
  9. Sylvia Shimmin, "Extra-Mural Factors Influencing Behaviour at Work", Occupational Psychology, Vol. 36 (1962), pp.124-131.
  10. A. J. M. Sykes, "The Cohesion of a Trade Union Workshop Organization", Sociology, Vol. 1 (1967), pp.141-163.
  11. I. C. Cannon, "Ideology and Occupational Community: a Study of Compositors", Sociology, Vol. 1 (1967), pp.165-185.
  12. R. K. Brown and P. Brannen, "Social Relations and Social Perspectives among Shipbuilding Workers - a Preliminary Statement, Part Two", Sociology, Vol. 4 (1970), p.207.

13. John H. Goldthorpe et al., The Affluent Worker: Industrial Attitudes and Behaviour, Vol. 1 (Cambridge: CUP, 1968); John H. Goldthorpe et al., The Affluent Worker: Political Attitudes and Behaviour, Vol. 2 (Cambridge: CUP, 1968); John H. Goldthorpe et al., The Affluent Worker in the Class Structure, Vol. 3 (Cambridge: CUP, 1969).
14. John H. Goldthorpe, "Attitudes and Behaviour of Car-assembly Workers: a Deviant Case and a Theoretical Critique", BJS, Vol.17 (1966), p.240.
15. Ibid., p.240.
16. Blackburn, p.51.
17. Michael Mann, Consciousness and Action Among the Western Working Class (London: Macmillan, 1973), p.49.
18. Goldthorpe et al., Vol. 1, pp.195-6.
19. J. H. Westergaard, "Rediscovery of the Cash Nexus", in Socialist Register 1970, pp.111-138.
20. Goldthorpe et al., Vol. 1, Table 29, p.73.
21. Goldthorpe et al., Vol. 2, Table 13, p.26.
22. Ibid., Table 13, p.26.
23. Goldthorpe et al., Vol. 1, Table 47, p.109.
24. Ibid., Table 34, p.87.
25. Goldthorpe et al., Vol. 2, Table 13, p.26.
26. Ibid., Table 13, p.26.
27. Goldthorpe et al., Vol. 1, p.89.
28. Westergaard, p.125.
29. Gavin Mackenzie, "The 'Affluent Worker' Study: An Evaluation and Critique", in The Social Analysis of Class Structure, ed. Frank Parkin (London: Tavistock, 1974), pp.242-3.
30. Ibid., p.247.
31. W. W. Daniel, "Automation and the Quality of Work", New Society, 29 May 1969, p.835.
32. W. W. Daniel, "Industrial Behaviour and Orientation to Work - a Critique", JMS, Vol. 6 (1969), pp.366-375.
33. Goldthorpe et al., Vol. 1, p.180 (note 2).

34. Daniel, "a Critique", p.367.
35. J. H. Goldthorpe, "Social Action Approach to Industrial Sociology: a Reply to Daniel", JMS, Vol. 7 (1970), pp.199-208; W. W. Daniel, "Productivity Bargaining and Orientation to Work - a Rejoinder to Goldthorpe", JMS, Vol. 8 (1971), pp.329-335; J. H. Goldthorpe, "Daniel on Orientations to Work - a Final Comment", JMS, Vol. 9 (1972), pp.266-273.
36. Daniel, "a Rejoinder", pp.332-3.
37. Richard Hyman, Strikes (London: Fontana/Collins, 1972), p.73.
38. Theo Nichols and Peter Armstrong, Workers Divided: A Study in Shop-floor Politics (Glasgow: Fontana/Collins, 1976), p.9.
39. Huw Beynon, Working for Ford (Wakefield: EP Publishing, 1975), pp.102-3.
40. Ibid., p.104.
41. Ibid., p.105.
42. Ibid., Ch. 3.
43. Nichols and Armstrong, Workers Divided, p.127.
44. Theo Nichols and Huw Beynon, Living with Capitalism: Class Relations and the Modern Factory (London: RKP, 1977), p.129.
45. Nichols and Armstrong, Workers Divided, p.128.
46. Ibid., pp.140-1.
47. Ibid., p.47.
48. Ibid., p.163.
49. Nichols and Beynon, Living with Capitalism.
50. Ibid., pp.41-2.
51. Ibid., p.43.
52. Erving Goffman, Encounters (Harmondsworth: Penguin, 1972), p.126.
53. Ibid., p.126.
54. See also Erving Goffman, Relations in Public (Harmondsworth: Penguin, 1972), Ch. 3.
55. Nichols and Beynon, Living with Capitalism, p.171.

56. P. J. Armstrong, J. F. B. Goodman and J. D. Hyman, Ideology and Shop-floor Industrial Relations (London: Croom Helm, 1981), p.19.
57. Ibid., p.16.
58. Ibid., p.15.
59. See, for instance, A. I. Melden, Free Action (London: RKP, 1961), Ch. 9.
60. Ludwig Wittgenstein, Philosophical Investigations (Oxford: Basil Blackwell, 1968), §.337, p.108<sup>e</sup>.
61. C. Wright Mills, "Situated Actions and Vocabularies of Motive" in Symbolic Interaction, ed. Jerome G. Manis and Bernard N. Meltzer (Boston: Allyn and Bacon, 1974), p.394.
62. Peter Winch, The Idea of a Social Science and its Relation to Philosophy (London: RKP, 1973), pp.80-3.
63. Armstrong et al., p.36. (Emphasis added)
64. Ibid., p.54.
65. Harold Garfinkel, "The Origins of the Term 'Ethnomethodology'", in Ethnomethodology, ed. Roy Turner (Harmondsworth: Penguin, 1974), p.17.
66. For discussions on the creation and accomplishment of 'social reality' see: Peter L. Berger and Thomas Luckmann, The Social Construction of Reality (Harmondsworth: Penguin, 1973), Part One; Harold Garfinkel, Studies in Ethnomethodology (New Jersey: Prentice-Hall, 1967), Ch. 3; Don H. Zimmerman and Melvin Pollner, "The Everyday World as a Phenomenon", in Understanding Everyday Life, ed. Jack D. Douglas (London: Routledge and Kegan Paul, 1974), pp.80-103.
67. Armstrong et al., p.102.
68. Ibid., p.43.
69. The conceptual problems involved in analysing 'bourgeois' hegemony are therefore very different from those in analysing the emergence of 'proletarian hegemony'; see George Lichtheim, A Short History of Socialism (Glasgow: Fontana/Collins, 1978), p.324.

Notes and References: Chapter Six (pp.145-174)

1. Bertrand De Jouvenel, "Authority: the Efficient Imperative", in Authority, NOMOS I, ed. Carl J. Friedrich (Cambridge, Mass.: Harvard Univ. Press, 1958), p.159.
2. T. D. Weldon, The Vocabulary of Politics (Harmondsworth: Penguin, 1953), p.19.
3. See, for example: Ernie Roberts, Workers' Control (London: Allen and Unwin, 1973), p.22; J. Schregle, "Comparative Industrial Relations: Pitfalls and Potential", International Labour Review, Vol. 120 (1981), p.22.
4. J. Eaton and A. Fletcher, "Workers' Participation in Management: a Survey of Post-War Organized Opinion", Political Quarterly, Vol. 47 (1976), p.82.
5. Bullock Report, the Minority Report, paras. 16-22, pp.174-5.
6. Andrew L. Friedman, "Responsible Autonomy versus Direct Control over the Labour Process", Capital and Class, Vol. 1 (Spring 1977), p.48; see also Andrew L. Friedman, Industry and Labour: Class Struggle at Work and Monopoly Capitalism (London: Macmillan, 1977), pp.78-9, Ch. 7 and pp.106-108. For a similar, though non-Marxist, account of these two management responses see Tom Lupton, "Industrial Conflict", New Society, 14 Nov. 1963, p.13.
7. In the early 1980s, management has been able to reassert its prerogative over wage settlements and manning levels because of the recession: "Suddenly, nobody in industry ... is afraid of the unions because, suddenly, they have no more clout than a wet handkerchief" - Graham Turner, "What about the workers?", Daily Telegraph, 16 February 1981, p.16.
8. Donald Roy, "Review of Fred Blum's 'Towards a Democratic Work Process: the Hormel Packinghouse Workers' Experiment'", ASR, Vol. 19 (1954), p.500.
9. D. Guest and D. Fatchett, Worker Participation: Individual Control and Performance (London: IPM, 1974), pp.16-17.
10. *Ibid.*, pp.15-16.
11. Alex Ferry, "Industrial Democracy and Workers' Control", in The Red Paper on Scotland, ed. Gordon Brown, (Edinburgh: Edin. Univ. Students Publications Board, 1975), p.101.
12. R. Schmiede, "Technical Change and Industrial Democracy", in Industrial Democracy: International Views (Univ. of Warwick: Industrial Relations Research Unit, 1978), p.63.

13. Jaroslav Vanek, Introd., Self-Management: Economic Liberation of Man, ed. Jaroslav Vanek (Harmondsworth: Penguin, 1975), p.13.
14. Ken Coates and Tony Topham, The New Unionism: the Case for Workers' Control (Harmondsworth: Penguin, 1974), pp.214-5.
15. Arthur Scargill, Audrey Wise and Mike Cooley, A Debate on Workers' Control, IWC Pamphlet No. 64 (Nottingham: IWC, 1978), p.4.
16. See, for instance, Tony Topham, "Arthurian Myth and Legend Reconsidered", Workers' Control, Nos. 1-2 (1981), pp.15-22.
17. Friedman, "Responsible Autonomy", p.44.
18. Ray Wild, "The Nature and Context of Job Restructuring in the Engineering Industries of Europe", in Job Satisfaction, ed. Mary Weir (Glasgow: Fontana/Collins, 1976), p.278.
19. Robin Chichester-Clark, "On the Quality of Working Life", in Weir (ed.), pp.27-8; see also Democracy at Work (London: BBC, 1977), Ch. 3.
20. A brief history of worker involvement in participation schemes can be found in Weir's Introd., Job Satisfaction, pp.9-22.
21. For example, J. French, J. Israel and D. Ås, "An Experiment on Participation in a Norwegian Factory", Human Relations, Vol. 13 (1960), p.7.
22. Paul Blumberg, Industrial Democracy: the Sociology of Participation (London: Constable, 1968), Chapters 2 and 3.
23. Albert Cherns, "Better Working Lives - a Social Scientist's View", in Weir (ed.), p.43.
24. D. Wallace Bell, Participation by Legislation? The Choices for Britain - a Background Paper, IPA Study Paper No. 3 (London: Industrial Participation Association, 1975), p.4.
25. Adjustment of Workers to Technical Change at Plant Level, Int. Conf. 15-18 Nov. 1966 (Paris: OECD, Manpower and Social Affairs Directorate, 1967), p.38. (Emphasis added)
26. N. Bogolomova, 'Human Relations' Doctrine: Ideological Weapon of the Monopolies (Moscow: Progress Publishers, 1973), p.151.
27. For a discussion of the organization of joint consultation committees, see: National Institute of Industrial Psychology, Joint Consultation in British Industry (London: Staples, 1952), Ch. 10.
28. Industrial Democracy: Some Implications for Management, BIM Occasional Papers (New Series), No. 1 (London: BIM, 1968), p.6.
29. R. O. Clarke, D. J. Fatchett, B. C. Roberts, Workers' Participation in Management in Britain (London: Heinemann, 1972), p.73.

30. Ibid., p.74; W. R. Hawes and C. C. P. Brookes, "Change and Renewal: Joint Consultation in Industry", Employment Gazette (April 1980), pp.353-361.
31. G. S. Walpole, Technique of Successful Joint Consultation, an Address delivered to the London Central District's Master Printers' Assoc., 8 Aug. 1944 (London: n.p., 1944), p.2.
32. Works Councils and Committees (London: Industrial Welfare Society, 1947), pp.28-9.
33. Lord Citrine, Joint Consultation in British Industry with Special Reference to the Electricity Supply Industry, (Paris: European Productivity Agency, 1955), p.5.
34. T. L. Johnston, Industrial Democracy Revisited, Third Marlow (Scotland) Lecture (Glasgow: The Institution of Engineers and Shipbuilders in Scotland, 1969), pp.3-4.
35. Clarke et al., pp.76-7.
36. Sidney and Beatrice Webb, Industrial Democracy (London: Longmans, Green & Co., 1897), Vol. 2, Part 3, Ch. 4, esp. pp.818-823.
37. H. A. Clegg, Industrial Democracy and Nationalization (Oxford: Basil Blackwell, 1951), p.121, as quoted by Blumberg, p.141.
38. Blumberg, Ch. 7.
39. Industrial Democracy, Talking Points Series No. 14 (London: Labour Party, 1968), p.4.
40. Industrial Democracy: a Summary of the Labour Party Working Party Report, Information Paper No. 27 (London: Labour Party Research Dept., 1972), p.7.
41. Michael Gold, Hugo Levie and Roy Moore, The Shop Stewards' Guide to the Use of Company Information (Nottingham: Spokesman, 1979), pp.91-5.
42. K. W. Wedderburn, "Industrial Democracy and Company Law" in Industrial Democracy: the Implications of the Bullock Report, Proc. of a Conference at the Univ. of Leicester, 4-5 April 1977 (Univ. of Leicester: Dept. of Adult Education, 1977), p.1.19.
43. Hence the establishment of wages councils "in industries where there was both a low level of pay and inadequate collective-bargaining organization"; see C. Craig et al., Abolition and After: the Cutlery Wages Council, Dept. of Employment Research Paper No. 18 (London: HMSO, 1981), p.ix.
44. Wedderburn, p.1.2.



45. See, for example, "Director Symposium: Participation, Professionalism and the Role of the Board", Director (April 1976), pp.58-61.
46. F. E. Emery and E. Thorsrud, Form and Content in Industrial Democracy (London: Tavistock, 1974), p.2.
47. Pat Lowry, "The Bullock Committee's Report and Management", in Industrial Democracy: Implications of Bullock, p.2.3.
48. Ken Coates and Tony Topham, The Shop Steward's Guide to the Bullock Report (Nottingham: Spokesman, 1977).
49. For an account of the debate over worker representation in the nationalized industries in the 1930s and 1940s, see Eirene White, Workers' Control? Fabian Tract No. 271 (London: Fabian Society, 1951), pp.4-12.
50. Denis Barnes and Eileen Reid, Governments and Trade Unions: the British Experience 1964-1979 (London: Heinemann, 1982), Part IV.
51. For a case study of the Conservative Government's relationship with the Industrial Training Boards, for example, see: "The MSC reports on continuation of industrial training", IDS Report, No. 359 (London: Incomes Data Services, Aug. 1981), pp.21-2.
52. Peter Brannen et al., The Worker Directors: a Sociology of Participation (London: Hutchinson, 1976), Ch. 6.
53. Clarke et al., p.133; Guest and Fatchett, p.13.
54. Pauline Hunt, "Development of Class-Consciousness in Situations of Industrial Conflict", M.Phil. Thesis, Univ. of Edinburgh, 1975, p.129.
55. Clarke et al., p.85.
56. Arye Globerson, "Spheres and Levels of Employee Participation in Organizations", BJIR, Vol. 8 (1970), p.256.
57. Carole Pateman, Participation and Democratic Theory (Cambridge: CUP, 1975), pp.68-71.
58. Guest and Fatchett, pp.12-13.
59. Clarke et al., Ch. 2.
60. Industrial Democracy, A discussion document presented by the NEC for discussion at the sixth national conference of the Labour Party Young Socialists held in Llandudno on 25-26 March 1967 (London: Labour Party, 1967), p.12; this scheme was first set out by Professor K. J. W. Alexander in a Labour Party internal paper written for the Labour Party Working Party on industrial democracy (1966/7). See K. J. W. Alexander, "Industrial Democracy", Research Dept. Paper Re.22/July 1966.

61. Ian Gordon-Brown, Participation in Industry: an Introductory Guide (London: Industrial Co-Partnership Association, 1972), p.7.
62. Karl Marx, The Communist Manifesto (Harmondsworth: Penguin, 1968), p.96.
63. Vanek, p.16.
64. Ibid., p.14.
65. Daniel Bell, Meaning in Work - a New Direction (London: Labour Party Research Dept. Reprints, July 1960), p.1.
66. Workers' Participation in Industry, ICFTU Study Guide No. 3 (Brussels: ICFTU, 1954), p.22.
67. Miklós Haraszti, A Worker in a Workers' State (Harmondsworth: Penguin, 1977), pp.130-1.
68. Huw Beynon, "The Carcase of Time", New Society, 13 Oct. 1977, p.80.
69. See David Lane, Politics and Society in the USSR (London: Weidenfeld and Nicolson, 1972), Ch. 6.
70. Edward R. Pease, Profit-Sharing and Co-Partnership (London: Labour Party, 1921), p.8.
71. Ernest Mandel, "Self-Management - Dangers and Possibilities", International, Vol. 2 (Winter/Spring 1975), p.5.
72. Fox, Beyond Contract (London: Faber and Faber, 1974), p.364.
73. Charles Levinson, "Collective Bargaining in Perspective", Report 1B of the Trade Union seminar on New Perspectives in Collective Bargaining (Paris: Social Affairs Division, OECD, 1969), p.6 quoted by G. D. Garson, "Recent Developments in Workers' Participation in Europe", in Self-Management, ed. Vanek, p.161.
74. Failure to appreciate this is what leads commentators to identify 'industrial democracy' purely with its most recent location, say, participation committees or board-level representation. See: Tim Congdon, "The Economics of Industrial Democracy", New Society, 30 Oct. 1975, pp.255-7; Charles D. King and Mark van de Vall, Models of Industrial Democracy (The Hague: Mouton Publishers, 1978), p.v.; M. J. F. Poole, "A Power Approach to Workers' Participation in Decision-Making", Ph.D., Sheffield Univ., 1969, p.5.
75. Joseph Femia, "Hegemony and Consciousness in the Thought of Antonio Gramsci", Political Studies, Vol. 23 (1975), p.38.
76. P. J. Armstrong et al., Ideology and Shop-floor Industrial Relations (London: Croom Helm, 1981), p.51.
77. H. A. Clegg, A New Approach to Industrial Democracy (Oxford: Basil Blackwell, 1960), Ch. 3.

Notes and References: Chapter Seven (pp.175-204)

1. For a discussion of union 'responses' to industrial rationalisation in the 1960s see John Hughes, "British Trade Unionism in the Sixties", in Socialist Register 1966, pp.86-113.
2. " ... when painful decisions are being made, the principle of extensive consultation tends to clash with the managers' belief in their right to manage." Nick Garnett, "A consultation 'ideal' clashes with reality", Financial Times, 6 March 1981, p.15.
3. Paul Routledge, "Labour revives plans for worker involvement", The Times, 9 April 1981, p.17.
4. R. O. Clarke, D. J. Fatchett and B. C. Roberts, Workers' Participation in Management in Britain (London: Heinemann, 1972), Ch. 1.
5. Harvie Ramsey, "Cycles of Control: Worker Participation in Sociological and Historical Perspective", Sociology, Vol. 11 (1977), pp.481-506.
6. H. A. Clegg, A New Approach to Industrial Democracy (Oxford: Basil Blackwell, 1960).
7. Denis Barnes and Eileen Reid, Governments and Trade Unions: the British Experience 1964-79 (London: Heinemann, 1982).
8. See Rodger Charles, The Development of Industrial Relations in Britain 1911-1939 (London: Hutchinson, 1973) for developments in collective bargaining during this period.
9. Ken Coates and Tony Topham, Shop Stewards and Workers' Control, Vol. II of Industrial Democracy in Great Britain, ed. Coates and Topham (Nottingham: Spokesman, 1975), p.49.
10. Ibid., pp.49-66.
11. I. C. McGivering, D. G. J. Matthews and W. H. Scott, Management in Britain (Liverpool: University Press, 1960), p.97; for details on Lord Melchett, see Geoffrey K. Ingham, Strikes and Industrial Conflict: Britain and Scandinavia (London: Macmillan, 1974), pp.75-7.
12. McGivering et al., p.98.
13. Ibid., p.98.
14. Industrial Democracy, 'Towards Tomorrow' Series No. 1 (London: Labour Party, n.d. [1948/]), p.7.
15. Workers' Participation in Industry, ICFTU Study Guide No. 3 (Brussels: ICFTU, 1954), p.21.

16. J. Price, Democracy in Industry - the Problem of Workers' Control, Study Outline No. 11 (London: WEA, 1944), p.39.
17. Works Councils and Committees (London: Industrial Welfare Society, 1947), p.25.
18. G. S. Walpole, Management and Men (London: Jonathan Cape, 1944), p.43, in Coates and Topham, Shop Stewards, p.89.
19. Sir Stafford Cripps, "Address to aircraft workers", 9 Jan. 1943, quoted in Works Councils, IWS, p.24.
20. Coates and Topham, Shop Stewards, pp.50-1.
21. Jack Owen, War in the Workshops (London: Lawrence and Wishart, n.d. [1942]), pp.8-9.
22. John Child, British Management Thought (London: Allen and Unwin, 1969), p.111.
23. Production the Bridge to Socialism, Address presented by the NEC of the Labour Party to its Annual Conference in Scarborough, April 1948; reprinted as a pamphlet (London: Labour Party, 1948), p.5.
24. Ibid., p.7.
25. Ministry of Labour and National Service, Joint Consultation in Industry, Industrial Relations Handbook, Supplement No. 3 (London: HMSO, 1949), pp.3-4.
26. Co-operation and Industry, Studies and Reports (New Series) No. 26 (Geneva: ILO, 1951), pp.34-9.
27. Britain's Plan for Prosperity (London: Communist Party, 1947), p.110, in Coates and Topham, Shop Stewards, pp.104-5.
28. Michael Barratt Brown, "Nationalization in Britain", Socialist Register 1964, pp.251-255; Ken Coates and Tony Topham, Industrial Democracy and Nationalization, Vol. III of Industrial Democracy, ed. Coates and Topham, Ch. 2.
29. See, for instance, S. T. Glass, The Responsible Society: the Ideas of Guild Socialism (London: Longmans, 1966), pp.60-1; J. T. Murphy, Preparing for Power: a Critical Study of the History of the British Working-Class Movement (1934; rpt. London: Pluto Press, 1972), Ch. X, esp. p.189; Branko Pribićević, The Shop Stewards' Movement and Workers' Control 1910-1922 (Oxford: Basil Blackwell, 1959), p.160.
30. Child, British Management Thought, pp.112-3.
31. Joan Mitchell, The Future of Private Industry, Labour Party Discussion Pamphlet No. 5 (London: Labour Party, Oct. 1952), p.20.

32. G. S. Walpole, Technique of Successful Joint Consultation, an Address delivered to the London Central District's Master Printers' Assoc., 8 Aug. 1944 (London: n.p., 1944), p.4.
33. J. Eaton and A. Fletcher, "Workers' Participation in Management - a Survey of Post-War Organized Opinion", Political Quarterly, Vol. 47 (1976), p.87.
34. T. Wylie, A Concise Guide to Industrial Relations (Birmingham: Industrial Administration Group, 1951), pp.27-8.
35. Aubrey Jones, The New Inflation (Harmondsworth: Penguin, 1973), pp.47-8.
36. Coates and Topham, Shop Stewards, p.55.
37. E. Dorion, "La Participation des Travailleurs à la Gestion des Entreprises en Grande Bretagne", in La Participation des Travailleurs à la Gestion des Entreprises Privées (dans les Principaux Pays de l'Europe Occidentale), ed. D. Marcel (Paris: Librairie Dalloz, 1954), p.198 (author's translation).
38. Democracy in our Working Lives (London: the Progressive League, 1956), p.4.
39. Ibid., inside front cover.
40. Dept. of Scientific and Industrial Research/Medical Research Council, Final Report of the Joint Committee on Human Relations in Industry 1954-57 (London: HMSO, 1958), p.1.
41. Understanding Labour Relations, foreword by Viscount Chandos (London: Institute of Directors, April 1958), p.10.
42. For instance, Co-operation and Industry, ILO, p.6.
43. Joint Consultation in Practice: a Survey in British Industry, Industrial Version No. 1 (Paris: European Productivity Agency, 1959), p.7.
44. Ibid., p.31.
45. Ibid., p.32.
46. R. O. Clarke et al., p.41.
47. Allan Flanders, The Fawley Productivity Agreements (London: Faber and Faber, 1964), Ch. 2.
48. Martyn Nightingale, "UK Productivity Dealing in the 1960s", in Capital and Labour - a Marxist Primer, ed. Theo Nichols (Glasgow: Fontana, 1980), p.316.
49. Ibid., p.316.

50. W. E. J. McCarthy, The Role of Shop Stewards in British Industrial Relations, Research Paper No. 1, Royal Commission on Trade Unions and Employers' Associations (London: HMSO, 1966), para. 4, pp.4-5.
51. Tony Topham, "New Types of Bargaining", in The Incompatibles: Trade Union Militancy and the Consensus, ed. Robin Blackburn and Alexander Cockburn (Harmondsworth: Penguin, 1967), p.149.
52. See for example Samuel Brittan, Steering the Economy: the Role of the Treasury (Harmondsworth: Penguin, 1971), Chapters 8 and 9; Andrew Glyn and Bob Sutcliffe, British Capitalism, Workers and the Profits Squeeze (Harmondsworth: Penguin, 1972), Chapters 5, 6 and 7.
53. Graham Turner, Business in Britain (Harmondsworth: Penguin, 1971), p.75.
54. Ibid., p.72.
55. Ibid., p.60.
56. Michael Barratt Brown, "The Controllers of British Industry" in Can the Workers Run Industry? ed. Ken Coates (London: Sphere Books, 1968), pp.36-74; S. J. Prais, The Evolution of Giant Firms in Britain (Cambridge: CUP, 1976), Ch. 4.
57. John Hughes, "Giant Firms and the British Trade Unions' Response", in Trade Union Register 1970, ed. Michael Barratt Brown and Ken Coates (London: Merlin Press, 1970), pp.64-5; quoted by Ken Coates and Tony Topham, The New Unionism (Harmondsworth: Penguin, 1974), p.34.
58. Donovan Report, para. 370, p.98.
59. Ibid., para. 388, p.105.
60. See Leslie Hannah and J. A. Kay, Concentration in Modern Industry (London: Macmillan, 1978), pp.25-6, and H. D. Watts, The Large Industrial Enterprise (London: Croom Helm, 1980), pp.263-7, for discussions of the relationship between company size and industrial conflict.
61. Donovan Report, para. 390, p.105.
62. Ibid., para. 396, p.107.
63. Ibid., para. 399, p.108.
64. For case studies of strikes explained in this way see: Paul Foot, "The Seamen's Struggle" in The Incompatibles, pp.169-174; Alvin Gouldner, Patterns of Industrial Bureaucracy (London: Collier-Macmillan, 1964), pp.71-3; Tony Lane and Kenneth Roberts, Strike at Pilkingtons (London: Collins/Fontana, 1971), pp.59-63.

65. For example, Robert Blauner, Alienation and Freedom (Chicago: University of Chicago Press, 1964).
66. Keith Robertson, "Managing People and Jobs" in Job Satisfaction, ed. Mary Weir (Glasgow: Fontana/Collins, 1976), p.33.
67. Claus Offe, Industry and Inequality (London: Edward Arnold, 1976), pp.28-9.
68. Joe Roeber, Social Change at Work: the ICI Weekly Staff Agreement (London: Duckworth, 1975), p.69.
69. Ibid., pp.309-310.
70. Geoffrey Richards, Works Manager, ICI Organics Division, Grangemouth, quoted in advert for ICI, Sunday Times Magazine, 24 July 1977, p.7.
71. Garnett, p.15.
72. Donovan Report, para. 730, p.196.
73. Serge Mallet, The New Working Class (Nottingham: Spokesman Books, 1975), p.28.
74. Ibid., p.29.
75. Clive Jenkins and Barrie Sherman, White-Collar Unionism: the Rebellious Salaried (London: RKP, 1979), Ch. 5.
76. Richard Hyman, "Industrial Conflict and the Political Economy: Trends of the Sixties and Prospects for the Seventies", in Socialist Register 1973, p.107.
77. Ibid., p.108; for figures on official strikes, see "Large industrial stoppages 1960-1979", Employment Gazette (Sept. 1980), pp.997-999.
78. Industrial Democracy, Labour Party Working Party Report (London: Labour Party, 1967), para. 19, p.19.
79. Nightingale, p.327.
80. Roeber, p.xviii.
81. Nightingale, p.329.
82. Communication and Consultation (London: CBI, 1966).
83. Industrial Democracy: Some Implications for Management, BIM Occasional Papers (New Series) 1 (London: BIM, 1968), p.6.
84. Ibid., p.10.
85. Trade Unionism (London: TUC, 1966).
86. Donovan Report, para. 1002, p.258.

87. For a summary of the Donovan proposals, see: B. M. Cooper and A. F. Bartlett, Industrial Relations: a Study in Conflict (London: Heinemann, 1976), pp.111-3.
88. Industrial Democracy: a Summary of the Labour Party Working Party Report on Industrial Democracy, Information Paper No. 27 (London: Labour Party Research Dept., Feb. 1972), p.2.
89. Ibid., p.9.
90. Eaton and Fletcher, p.86.
91. In Place of Strife: a Policy for Industrial Relations, Cmd. 3888, (London: HMSO, 1969). For a summary, see The Times, 18 Jan. 1969, p.3.
92. Observer, 19 Jan. 1969, p.12.



Notes and References: Chapter Eight (pp.205-244)

1. Andrew Friedman, "Responsible Autonomy versus Direct Control over the Labour Process", Capital and Class, Vol. 1 (Spring 1977), p.48.
2. D. F. Macdonald, The State and Trade Unions (London: Macmillan, 1976), pp.197-8.
3. Alan Fox, "Industrial Relations: a Social Critique of Pluralist Ideology" in Man and Organization, ed. John Child (London: Allen and Unwin, 1973), pp.199-203.
4. Dept. of Employment and the Central Office of Information, Industrial Relations: A Guide to the Industrial Relations Act, 1971 (London: HMSO, 1972), p.5.
5. A. W. J. Thomson and S. R. Engleman, The Industrial Relations Act: a Review and Analysis (London: Martin Robertson, 1975).
6. G. D. Garson, "Recent Developments in Workers' Participation in Europe", in Self Management: Economic Liberation of Man, ed. Jaroslav Vanek (Harmondsworth: Penguin, 1975), p.161.
7. Bernard D. Nossiter, Britain: a Future that Works (London: André Deutsch, 1978), Ch. 3, esp. pp.89-93.
8. Tom Forester, "Do the British sincerely want to be rich?", New Society, 28 April 1977, pp.158-161.
9. A. B. Cherns, "Speculations on the Social Effects of the New Microelectronics Industry", International Labour Review, Vol. 119 (Nov.-Dec. 1980), p.706.
10. Maurice Macmillan, Preface, On the Quality of Working Life, by N. A. B. Wilson, Dept. of Employment Manpower Papers No. 7 (London: HMSO, 1973), p.iii.
11. Wilson, p.44.
12. Roger Berthoud, "Taking the frustration out of a boring job", The Times, 18 Dec. 1975, p.3.
13. Eric Wigham, "Aiming to improve the quality of working life", The Times, 12 Aug. 1975, p.17.
14. Department of Employment Tripartite Steering Group on Job Satisfaction, Making Work More Satisfying (London: HMSO, 1975), p.23.
15. 1980 Report of the Tripartite Steering Group on Job Satisfaction to the Sec. of State for Employment (London: Dept. of Employment, Work Research Unit, June 1981), pp.7-9.

16. Working Power, Fabian Tract 431, ed. Giles Radice (London: Fabian Society, Feb. 1974), p.5. However, for critiques of this view see Theo Nichols, Ownership, Control and Ideology (London: Allen and Unwin, 1969), Ch. 17; Philip Stanworth and Anthony Giddens, "The Modern Corporate Economy: Interlocking Directorships in Britain, 1906-1970", Sociol. Rev., Vol. 23 (1975), pp.5-28.
17. W. C. Adamson, "CBI Director General's Inaugural Letter to Members 1970", in Working Power, p.5.
18. Theo Nichols, "The 'Socialism' of Management: Some Comments on the New 'Human Relations'", Sociol. Rev., Vol. 23 (1975), pp.251-8; John Thackray, "The Quest for Quality Work", Management Today (March 1982), pp.66-73.
19. Making Work More Satisfying, pp.11-18.
20. H. G. Jones, "A form of industrial democracy that really works", Guardian, 19 Jan. 1976, p.13.
21. "Stunning turnaround at Tarrytown: workers and bosses co-operate to boost productivity", Time Magazine, 5 May 1980, p.65.
22. John Hughes and Denis Gregory, "Richer Jobs for Workers?" in Job Satisfaction, ed. Mary Weir (Glasgow: Fontana/Collins, 1976), p.254.
23. *Ibid.*, p.256.
24. Daryll Hull, "The Quality of Working Life", Workers' Control Bulletin, No. 1 (1978), p.8.
25. Daryll Hull, The Shop Stewards' Guide to Work Organization (Nottingham: Spokesman, 1978), pp.122-7.
26. A notable exception is Michel Bosquet, "The Prison Factory", New Left Review, No. 73 (May-June 1972), pp.23-34.
27. Department of Employment, Trade Union and Labour Relations Acts 1974 and 1976 - a Guide (London: HMSO, 1976), p.3.
28. Department of Employment, Employment Protection Act - An Outline (London: HMSO, 1975), p.3.
29. For a guide to the provisions of the Act see Ivor Cleetson, A Worker's Guide to the Employment Protection Act (Nottingham: Spokesman Books, 1976).
30. Ian B. Knight, Company Organization and Worker Participation, Office of Population Censuses and Surveys, Social Survey Division (London: HMSO, 1979), p.1.
31. *Ibid.*, p.82.

32. Ibid., p.82.
33. Stuart Holland, The Socialist Challenge (London: Quartet Books, 1975), p.183.
34. Ibid., p.223.
35. For an outline of this strategy, see: Ken Mayhew, "The Institutional Context of Incomes Policy", in Incomes Policy, ed. Robin E. J. Chater, Andrew Dean and Robert F. Elliott (Oxford: Clarendon Press, 1981), pp.32-37.
36. John Elliott, Conflict or Co-operation? The Growth of Industrial Democracy (London: Kogan Page, 1978), p.35.
37. "CBI chief pledges all out opposition to 'Big Brother Style' of Industry Bill", The Times, 5 Feb. 1975, p.19.
38. Robert Taylor, Labour and the Social Contract, Fabian Tract 458 (London: Fabian Society, Sept. 1978), pp.5-13.
39. Tom Forester, "Neutralizing the Industrial Strategy", in What Went Wrong?, ed. Ken Coates (Nottingham: Spokesman Books, 1979), pp.74-94.
40. Stuart Holland, "Capital, Labour and the State", in What Went Wrong?, ed. Coates, pp.207-8.
41. Elliott, p.205.
42. Industrial Democracy, Labour Party Working Party Report (London: Labour Party, 1967), para. 67, p.42.
43. For full background see Elliott, Ch. 14.
44. For a summary of these proposals see C. M. Schmitthoff, "The Bullock Committee and the EEC" in Industrial Democracy: the Implications of the Bullock Report, Proc. of a Conference at the University of Leicester, 4-5 April 1977 (Univ. of Leicester: Dept. of Adult Education, 1977), pp.6.1-6.5.
45. Proposal for a Fifth Directive to Co-ordinate the Laws of Member States as regards the Structure of 'Sociétés Anonymes', Bulletin of the European Communities, Supplement 10/72 (Brussels: Commission of the European Communities, Oct. 1972).
46. Employee Participation and Company Structure, Bulletin of the European Communities, Supplement 8/75 (Brussels: Commission of the European Communities, Aug. 1975).
47. Statute for European Companies, Bulletin of the European Communities, Supplement 4/75 (Brussels: Commission of the European Communities, April 1975).

48. Schmitthoff, p.6.2.
49. "EEC Law: the State of Play", IDS International Report, No. 132 (London: Incomes Data Services, Nov. 1980), pp.3-6; "EEC News", IDS International Report, No. 166 (London: Incomes Data Services, April 1982), p.5.
50. H. A. Clegg, "The Bullock Report and European Experience", in Industrial Democracy: the Implications of the Bullock Report, p.5.21D.
51. Employee Participation: a Policy Study by Chambers of Commerce of Moves towards Industrial Democracy (London: Assoc. of British Chambers of Commerce, Nov. 1975), para. 7, p.2.
52. Industrial Democracy: Evidence to the Committee of Inquiry on Industrial Democracy, by Roy Grantham, Gen. Sec., APEX (London: APEX, n.d. [1976/7]), para. 9.1, p.19.
53. Bullock Report, para. 49, p.88. (Emphasis added)
54. Ibid., para. 8, pp.111-2.
55. Ibid., para. 2, p.160. (Emphasis added)
56. Clegg, p.5.21D.
57. Elliott, pp.212-3.
58. Industrial Democracy, including supplementary evidence to the Bullock Committee (London: TUC, Jan. 1977), para. 9, p.36.
59. Two resolutions were passed: one supported workers' participation through union channels at all levels of industry, and the other rejected any participation which weakened union independence; see David Lea, "The Bullock Committee's Report and the TUC View", in Industrial Democracy: the Implications of the Bullock Report, p.7.1.
60. Industrial Democracy, TUC, para. 85, p.33.
61. Denis Butt, "Workers' Control", New Left Review (July-Aug. 1961), pp.24-5.
62. K. W. Wedderburn, "Industrial Democracy and Company Law", in Industrial Democracy: the Implications of the Bullock Report, p.1.2.
63. Industrial Democracy: Evidence, APEX, para. 5.2, p.7.
64. Bullock Report, pp.196-202 (Annex B lists those "with whom discussions were held overseas").
65. Ken Coates, "The Industrial Democracy Bill", Workers' Control Bulletin, No. 23 (Feb. 1975), p.1.

66. Bullock Report, Preface, p.v.
67. For summaries of both submissions, plus immediate reactions, see The Times, 27 Jan. 1977, p.4.
68. Bullock Report, Minority Report, paras. 16-59, pp.174-182.
69. Jack Jones, "Workers on the Board!", TGWU Record, (Feb. 1977), p.1.
70. Ibid., p.1.
71. John Edmonds, "The Bullock Committee's Report and Collective Bargaining", in Industrial Democracy: the Implications of the Bullock Report, p.4.1.
72. Private correspondence from Mr. J. Macgougan, Gen. Sec., NUTGW, 11 March 1977.
73. For a summary of such reservations see Ken Coates and Tony Topham, The Shop Steward's Guide to the Bullock Report (Nottingham: Spokesman Books, 1977).
74. Industrial Democracy: Evidence, APEX, para. 5.9, p.9.
75. The Bullock Report: Prescription for Progress (London: APEX, n.d. [1977?]), p.3.
76. The Extention of Industrial Democracy by means of Representation on Boards of Directors (Esher: NUBE, n.d. [1976?]), pp.2-3.
77. Accountability and Industrial Democracy, IWC Pamphlet No. 50 (Nottingham: IWC, n.d. [1976?]), p.4.
78. An Investigation into the Scope of Industrial Democracy (London: AUEW, June 1976), p.2.
79. John Boyd, "Industrial Democracy's Challenge", Industrial Participation, No. 560 (Winter 1976/7), pp.2-3.
80. Hugh Scanlon, quoted in "Some Trade Union Reactions to the Bullock Report", Workers' Control Bulletin, No. 35 (n.d.), p.11.
81. Evidence to the Committee of Inquiry on Industrial Democracy (Bromley: EET/PU, n.d. [1976?]), para. 26, p.6. (Emphasis added)
82. Edmonds, p.4.2.
83. Bert Ramelson, "Workers' Control? Possibilities and Limitations", Marxism Today (Oct. 1968), p.300.
84. Evidence to the Committee of Inquiry on Industrial Democracy (London: Communist Party of Great Britain, Feb. 1976), para. 6, p.5.
85. Bert Ramelson, "Union card or director's car", Morning Star, 3 Feb. 1977, p.2.

86. Elliott, p.248.
87. Industrial Democracy, Cmd. 7231 (London: HMSO, May 1978).
88. For a summary of the White Paper as well as a response from the Conservative opposition spokesman see The Times, 24 May 1978, p.4. and p.23.
89. Jones, p.1.
90. Jan Hildreth, "Some Further Thoughts on Bullock", Director, Vol. 29 (March 1977), p.46.
91. See for example Peter Wilsher, "A Board Meeting after Bullock", Sunday Times, 30 Jan. 1977, p.17.
92. P. L. Davies, "European Experience with Worker Representation on the Board", in Eric Batstone and P. L. Davies, Industrial Democracy: European Experience (London: HMSO, 1976), p.82.
93. Evidence, EET/PU, para. 37, p.9.
94. Peter Brannen et al., The Worker Directors (London: Hutchinson, 1976); John Bank and Ken Jones, ed., Worker Directors Speak (Farnborough: Gower Press, 1977).
95. Michael Barratt Brown, "The Worker Directors", Workers' Control Bulletin, No. 32 (May-June 1976), p.22.
96. "Two-year industrial democracy experiment introduced in postal services", Social and Labour Bulletin (ILO), No. 2 (June 1978), p.135.
97. "Post Office worker directors not re-appointed", Social and Labour Bulletin (ILO), No. 1 (March 1980), p.29.
98. Brian Towers, Derek Cox and Elizabeth Chell, "Do worker directors work?", Employment Gazette (Sept. 1981), pp.384-393.
99. Elizabeth Chell and Derek Cox, "Worker Directors and their Relationship with Collective Bargaining Machinery and Shop Stewards in Seven Private Sector Companies", unpublished paper, 'Worker Director Project' carried out by Industrial Relations Unit, Dept. of Adult Education (Univ. of Nottingham, Nov. 1978), p.4.
100. Elizabeth Chell, "Rationales for a Scheme of Worker Participation at Board Level - the British Experience", unpublished paper, 'Worker Director Project' (Univ. of Nottingham, Jan. 1979), pp.19-20.
101. Elizabeth Chell, "Worker Participation: Some Problems facing the Worker Director", unpublished paper, 'Worker Director Project' (Univ. of Nottingham, Dec. 1978), p.10.
102. Chell and Cox, "Worker Directors and their Relationship", p.19.

103. David Farnham and John Pimlott, "Who Wants Bullock?", New Society, 3 March 1977, p.451.
104. Farnham and Pimlott, pp.451-2 (Emphasis added)
105. James Prior, text of speech given to Industrial Society conference at the Café Royal, 14 Feb. 1977 (London: Conservative Central Office News Service, 1977), p.7.
106. James Prior and John Nott, Letter to Mr. Fred Harman, Chairman of the Conservative Trade Unionists' National Advisory Committee on Conservative Party Policy on Employee Participation, 15 May 1978 (London: Conservative Central Office News Service, 1978).
107. Edmonds, p.4.1.
108. Employee Participation, BIM Speaking Notes - Serial No. 4 (London: BIM, March 1977), p.2.
109. Statement of Evidence to the Bullock Committee of Inquiry on Industrial Democracy - March 1976 (London: EEF, March 1976), paras. 1-9, pp.1-7.
110. Committee on Industrial Democracy: Submissions of the Stock Exchange (London: Stock Exchange, March 1976), pp.1-2.
111. Commentary on the Report of the Bullock Committee (London: EEF, March 1977), para. 29 (ii), p.14.
112. Committee on Industrial Democracy, p.1.
113. Submission to the Industrial Committee (London: Institute of Directors, April 1976), paras. 93-4.
114. Ibid., para. 131.
115. Industrial Democracy: Submission to Bullock (Luton: Institution of Works Managers, n.d. [1976?]), para. 3(a), p.2.
116. Jan.Hildreth, Press Information (London: Institute of Directors, 26 Jan. 1977).
117. CIA Reaction to the Bullock Committee Reports (London: Chemical Industries Assoc., 26 Jan. 1977), para. 1, p.1.
118. Employee Participation, Assoc. of British Chambers of Commerce, para. 64, p.19.
119. The Bullock Report, CBI Talking Points No. 26 (London: CBI, Feb. 1977), p.1.
120. Employee Participation: NFBTE Evidence to Bullock Committee (London: National Federation of Building Trades Employers, April 1976), paras. 5 and 7, p.2.

121. Engineers Suspicious over Bullock Report, Press Information (Harrow: Engineering Industries Assoc., Feb. 1977), n.p.
122. Commentary, EEF, paras. 22-3, pp.11-12.
123. Private correspondence from Mr. K. H. Price, Deputy Director of Industrial Relations, NFBTE, 10 March 1977.
124. See for example Evidence to the Industrial Democracy Committee (London: Council of Engineering Institutions, June 1976), paras. 17-18, p.4; Industrial Democracy: Statement of Submissions on behalf of the Steel Industry Management Association (Watford: SIMA, 1976), para. 5, pp.10-13.
125. Bullock Report, Minority Report, paras. 16-22, pp.174-5.
126. Employee Participation - a New Look, CBI Talking Points No. 19 (London: CBI, April 1976), p.3.
127. Ibid., p.4.
128. Ibid., p.3.
129. For example, private correspondence from: E. Dixon, Deputy Director, British Printing Industries Federation, 8 March 1977; M. Reid, Director, Clothing Manufacturers' Federation, 8 March 1977; M. L. Jones, Director's Office, Engineering Industries Association, 15 March 1977; M. K. Smith, Asst. Director Social Affairs, Glass Manufacturers' Federation, 10 March 1977.
130. Conservative Manifesto 1979 (London: Conservative Central Office, 1979), p.11.
131. Ibid., p.9.
132. Working Papers for Consultations on Proposed Industrial Relations Legislation (London: Dept. of Employment, July 1979).
133. R. Lewis, P. Davies and B. Wedderburn, Industrial Relations Law and the Conservative Government, Fabian Trade Union Special (London: NCLC Publishing Society, Oct. 1979), p.44.
134. TUC Commentary on the Employment Bill (London: TUC, Jan. 1980).
135. Roy Lewis and Bob Simpson, Striking a Balance? Employment Law after the 1980 Act (Oxford: Martin Robertson, 1981).
136. "The Green Paper", IDS Brief No. 199 (London: Incomes Data Services, Feb. 1981), p.1.
137. See, for example, Eric Hobsbawm's interview with Tony Benn in The Forward March of Labour Halted?, ed. Martin Jacques and Francis Mulhern (London: Verso, 1981), pp.75-6.
138. "Recession 'bringing shift of power'", Guardian, 8 May 1981, p.2.



139. "Thatcher cuts out Prior in moves for union curbs", The Observer, 24 May 1981, p.3.
140. For details, as well as union reactions, to this Employment Bill, see "Fightback Two", Tribune, 26 Feb. 1982, pp.9-12.
141. John Lloyd, "All sides set for Tebbit's test of strength", Financial Times, 29 March 1982, p.7.
142. Friedman, p.48.
143. Though the CBI continued to support consultation committees as a means to improve company performance - see "Boost for employee consultation", Financial Times, 28 Jan. 1982, p.7.

Notes and References: Chapter Nine (pp.245-269)

1. Sir William Beveridge, Social Insurance and Allied Services, Cmd. 6404 (London: HMSO, 1942), paras. 20-26, pp.11-13.
2. Michael Gold, "Use of Information on the Lucas Staff and Works Pension Fund", mimeo, Ruskin College, Oxford, June 1980.
3. Occupational Pension Schemes, TUC Guide (London: TUC, 1976), p.15.
4. Harry Lucas, Pensions and Industrial Relations (Oxford: Pergamon, 1977), p.35.
5. See, for example, Pensions, APEX 'Topics' Research Series (London: APEX, April 1977); Sue Ward, Pensions (London: Pluto Press, 1981).
6. Alan Taylor, "Should Private Pension Funds be abolished?", Workers' Control, No. 1 (1982), pp.7-8.
7. "Pension Funds growing by about £8bn. a year", Financial Times, 8 July 1981, p.8.
8. But see Controlling Pension Funds: the Trade Union Role (London: APEX, Jan. 1982); Michael Gold, The Democratisation of Investment by Occupational Pension Funds, TURU Discussion Paper No. 24 (Oxford: Trade Union Research Unit, Ruskin College, Feb. 1981).
9. Much of the background data for this section comes from Richard Minns, Pension Funds and British Capitalism (London: Heinemann, 1980).
10. Minns, p.34.
11. Ibid., p.30.
12. Material for this chapter was first presented in Michael Gold, "Use of Information", as part of an SSRC financed project under the supervision of Roy Moore at Ruskin College, Oxford, on constraints on the use of company information by trade unions.
13. Roy Grantham, "Pension trustees hold key to boosting investment in British Industry", APEX Journal (Dec. 1978), p.4.
14. See "£20bn. of pension funds in need of regulation", The Economist, 4 Nov. 1978, p.109-113.
15. Trustees must behave "honestly, prudently and in good faith"; see Anthony Davey, "The Personal Liability of Pension Fund Trustees in the UK", Benefits International (Sept. 1981), p.8; also, Sue Ward, "Pension scheme trustees - powers and duties", Labour Research (Oct. 1981), pp.214-5.
16. Christine Moir, "Pension funds 'not obliged to be concerned with public good'", Financial Times, 27 Dec. 1978, p.1.

17. Personal interview with Alan Pickering, Research Dept. EET/PU, 6 March 1980.
18. These guidelines exclude, for example, investment in companies connected mainly with the aircraft or motor industries as well as that in small companies, and stipulate that not more than 20% gilts should be over 20 years to redemption and none should be undated. From "Investments - present policy", Lucas SPF, n.d.
19. Personal interview with David Pugh, Assistant Investment Analyst, National Water Council Pension Fund, 10 Jan. 1980.
20. Occupational Pension Schemes: the Role of Members in the Running of Schemes, Cmnd. 6514 (London: HMSO, June 1976), para. 30, p.8.
21. Minns, p.129.
22. A survey carried out in 1980 by ASTMS showed that 60% ASTMS trustees had never before held union office; see Humphrey Forrest, "The Politics of Pension Funds: A Neglected Educational Opportunity", Trade Union Studies Journal (Oct. 1980), p.10, Note 4.
23. Private correspondence from Richard Minns, 16 Jan. 1981.
24. "AFL-CIO adopts new policy on investing pension funds", Labor and Investments, Vol. 1 (Jan. 1981), p.1 (published by AFL-CIO).
25. Minns, p.67.
26. Nicholas Leslie, "American attitudes gain acceptance", Financial Times, Supplement on small businesses, 3 June 1981, p.IV.
27. David Pelly and Valerie Wise, Trade Unions and Pension Funds (London: CAITS, May 1980), p.12.
28. David Pelly, "No influence?", letter, New Statesmen, 20 June 1980, p.931.
29. Bob Dumbleton and John Shutt, "Pensions: the Capitalist Trap", New Statesman, 7 Sept. 1979, p.336.
30. For a discussion on how Local Enterprise Boards could tap pension funds to generate productive investment, see Richard Minns, "Challenging the Bankers", New Statesman, 21 Aug. 1981, pp.6-10.
31. Such pressure can be exerted on governments as well. In 1978, the financial institutions, including the OPFs, regarded the Labour Government's April budget as too expansionary and refused to buy gilts at the prevailing rate to finance it. This forced the Government to print money and fuel inflation. The effect was higher interest rates and a credit squeeze - none of which the Government wanted; private correspondence from Richard Minns, 16 Jan. 1981.

Notes and References: Chapter Ten (pp.270-286)

1. Jeremy McMullen, Employment Law Under the Tories (London: Pluto Press, 1981), p.100.
2. J. T. Winkler, "Corporatism", European Journal of Sociology, Vol. 18 (1976), p.112.
3. Paul O'Higgins, Workers' Rights (London: Arrow Books, 1976), Chapters 8-10; Jeremy McMullen, Rights at Work: a Worker's Guide to Employment Law (London: Pluto Press, 1979), Ch. 1.
4. Sit-ins and Work-ins (London: IPM, 1976), pp.15-16.
5. Paul Blumberg, Industrial Democracy: the Sociology of Participation (London: Constable, 1971), pp.9-10.
6. Industrial Democracy (London: TUC, 1974), para. 12, p.10.
7. Ibid., para. 71, p.31.
8. IPM, p.1.
9. See, for example, A. J. Eccles, "Sit-ins, Worker Co-operatives and Some Implications for Organization", Personnel Review, Vol. 6 (Spring 1977); John Greenwood, Worker Sit-ins and Job Protection (Farnborough: Gower Press, 1977).
10. IPM, p.2; TUC, para. 12, p.10; Eccles, p.39; Greenwood, p.29.
11. Ken Coates, "Converting the Unions to Socialism: Introductory Review", in Trade Union Register 3, ed. Michael Barratt Brown and Ken Coates (Nottingham: Spokesman Books, 1973), p.21.
12. John Gretton, "To Sit or Not to Sit", New Society, 15 June 1972, p.564.
13. Albert J. Mills, "Factory Work-ins", New Society, 22 Aug. 1974, p.489.
14. Alex Murray, UCS - the Fight for the Right to Work, Communist Party Pamphlet (London: Communist Party, 1971).
15. Frank Broadway, Upper Clyde Shipbuilders: a Study of Government Intervention in Industry, Preface by Sir Keith Joseph (London: Centre for Policy Studies, 1976).
16. Stephen Johns, Reformism on the Clyde: the Story of UCS (London: New Park Publications, 1973).
17. Alasdair Buchan, The Right to Work: the Story of the Upper Clyde Confrontation, Introduction by Harold Wilson (London: Calder and Boyars, 1972).
18. Robin Murray, UCS: the Anatomy of a Bankruptcy (Nottingham: Spokesman, 1972).

19. Jimmy Reid, "Three speeches made during UCS work-in 1970-1", in Reflections of a Clyde-built Man (London: Condor Books, 1976), pp.84-98.
20. J. R. Parkinson, The Economics of Shipbuilding in the United Kingdom (Cambridge: CUP, 1960), p.217.
21. Report to the Shipbuilding Inquiry Committee 1965-6, Chairman: Mr. R. M. Geddes, OBE (London: HMSO, 1966).
22. For the ownership structure of UCS, see Willie Thompson and Finlay Hart, The UCS Work-in (London: Lawrence and Wishart, 1972), p.38.
23. Broadway, p.30.
24. "Clyde yards ready for work-in", Morning Star, 28 July 1971, p.1.
25. "It's Clyde Workers Unlimited now", Morning Star, 31 July 1971, p.1.
26. "Workers seize control of shipyard on the Clyde", The Times, 31 July 1971, p.1.
27. Ibid., p.1.
28. Buchan, p.73.
29. "Commons in uproar as Labour MPs attach 'butchery' of Clyde yards", The Times, 30 July 1971, p.1.
30. William Gallacher, Revolt on the Clyde: an Autobiography (London: Lawrence and Wishart, 1942); Harry McShane, "The Early Twentieth Century - Red Clydeside", WEA Day Conference on Aspects of Scottish Working Class History, Falkirk, 4 Dec. 1977; own notes.
31. Pauline Hunt, "The Development of Class-Consciousness in Situations of Industrial Conflict", M.Phil, Univ. of Edinburgh, 1975, p.65.
32. David Lockwood, "Sources of Variation in Working Class Images of Society", Sociol. Rev., Vol. 14 (1966), pp.250-1.
33. For details of organized support, see: Morning Star - housewives, 2 Aug. 1971 p.1, and 18 Aug. p.4; churchmen, 2 Aug. p.1; Glasgow city Council, 3 Aug. p.1; artists and musicians, 12 Aug. p.5; STUC special conference, 17 Aug. p.1.
34. Morning Star, 19 Aug. 1971, p.1.
35. Morning Star, 3 Aug. 1971, p.1.
36. Coates, "Converting the Unions", pp.22-3.
37. Thompson and Hart, p.48.
38. A. J. Eccles, "Kirby Manufacturing and Engineering", in The New Worker Co-operatives, ed. Ken Coates (Nottingham: Spokesman, 1976), p.144.

39. For background on KME, see: Tom Clarke, Sit-in at Fisher-Bendix, IWC Pamphlet No. 42 (Nottingham: IWC, n.d.); Eccles; D. McMonnies, "KME: Study of a Workers' Co-operative", unpublished diss. for Labour Studies Diploma, Ruskin College, Oxford, 1979.
40. James Reid came third in BBC Radio 4's 'World at One Personality of the Year' competition in 1971 ... after Edward Heath and Enoch Powell; Morning Star, 28 Dec. 1971, p.3.
41. Thompson and Hart, p.48.
42. Clarke, pp.4-5.
43. Abner Cohen, Two Dimensional Man (London: RKP, 1974), p.80.
44. Morning Star, 5 Aug. 1971, p.1.
45. In February 1972 three of the yards were re-grouped as Govan Shipbuilders Ltd. with a government grant of £35m. Marathon Manufacturing, an American oil rig construction company, later took over the fourth yard, John Browns, where the work-in ended on 10 October 1972. For an assessment of Govan Shipbuilding, see "Ten years on - still a fighting spirit on Clydeside", The Times, 8 April 1981, p.21.
46. Joseph Femia, "Hegemony and Consciousness in the Thought of Antonio Gramsci", Political Studies, Vol. 23 (1975), p.46.
47. The Times, 31 July 1971, p.1.
48. Gretton, p.566.
49. Ken Coates, Work-ins, Sit-ins and Industrial Democracy (Nottingham: Spokesman, 1981), p.83.
50. Ibid., p.87-99.
51. This committee's interim report appears in Trade Union Register 3, pp.253-259.
52. Murray, p.80.
53. Coates, "Converting the Unions", p.32.
54. Why Imperial Typewriters MUST NOT Close, a preliminary social audit by the Union Action Committee, IWC Pamphlet No. 46 (Nottingham: IWC, n.d.).
55. S. Bodington, "The Political Economies of Social Auditing", Workers' Control, No. 2 (1978), pp.8-9.
56. For a summary of the relationships between these strategies, see Michael Gold, "When workers take over the works", Tribune, 24 July 1981, p.6.

Notes and References: Chapter Eleven (pp.287-308)

1. Albert J. Mills, "Factory work-ins", New Society, 22 Aug. 1974, p.489; see also Graham Chadwick, "The Manchester Engineering Sit-ins", in Trade Union Register 3, ed. Michael Barratt Brown and Ken Coates (Nottingham: Spokesman, 1973), pp.113-124.
2. Ken Coates, "Some Questions and Some Arguments", in The New Worker Co-operatives, ed. Ken Coates (Nottingham: Spokesman, 1976), pp.11-13.
3. Judy Wajcman, "The caring, sharing co-op?", New Society, 2 July 1981, p.14.
4. Private correspondence from Prof. Ray Loveridge, 5 July 1977.
5. Wajcman, p.12.
6. See, for example, Geoffrey Whiteley, "Triumph at Meriden after one year", Guardian, 5 March 1976, p.9; Martin Leighton, "The Workers' Triumph", Sunday Times Magazine, 4 June 1978, p.21.
7. The Institute for Workers' Control, founded in 1968, publishes a bulletin and pamphlets, organises conferences and gives specialist assistance in matters relating to workers' control; see Michael Barratt Brown and Ken Coates, The 'Big Flame' and What is the IWC?, Pamphlet No. 14 (Nottingham: IWC, n.d.).
8. Bert Ramelson, "Public ownership and industrial democracy", Comment, 22 March 1975, p.86.
9. Stephen Parker, "Meriden and Workers' Control", Revolutionary Communist, No. 1 (Jan. 1975), pp.28-9.
10. "Triumph at Meriden", p.9.
11. Loveridge, 5 July 1977.
12. Private correspondence from Prof. A. J. Eccles, 13 June 1977.
13. "Save Meriden!", Tribune, 14 Jan. 1977, p.1.
14. H. Frayman, "Grantham's Workers' Co-operative", Workers' Control, No. 2 (1978), p.13.
15. Ernest Mandel, "Self-management - dangers and possibilities", International, Vol. 2 (Winter/Spring 1975), p.5.
16. Jane McLoughlin, "The Meriden baby that fights for survival", Guardian, 23 May 1978, p.23.
17. "Policy of state aid for ailing companies suffers sharp reversal", The Times, 8 Aug. 1975, p.1.

18. "A forlorn attempt to keep going", The Times, 12 Aug. 1975, p.13.
19. The full account of SDN can be found in Ron McKay and Brian Barr, The Story of the 'Scottish Daily News' (Edinburgh: Canongate, 1976).
20. Allister Mackie, "The Scottish Daily News", in New Worker Co-operatives, ed. Coates, p.120.
21. "Final chapter ends for 'Scottish Daily News'", The Times, 17 Dec. 1975.
22. Coates, "Some Questions", p.13.
23. Richard Fletcher, "Worker Co-ops and the Co-operative Movement", in New Worker Co-operatives, ed. Coates, p.179.
24. A. J. Eccles, "Kirkby Manufacturing and Engineering", in New Worker Co-operatives, ed. Coates, p.155.
25. Mackie, p.109.
26. Parker, p.29.
27. Jenny Thornley, Workers' Co-operatives: Jobs and Dreams (London: Heinemann, 1981), Ch. 7, p.93.
28. John Pearce, Sources of Finance for Small Co-operatives, ICOM Pamphlet No. 7 (n.p.: ICOM, 1979), p.4.
29. Derek C. Jones, "British Producer Co-operatives", in New Worker Co-operatives, ed. Coates, p.59.
30. Ian Jack, Phillip Knightley and James Fox, "How Maxwell sabotaged the workers' dream", Sunday Times, 21 Sept. 1975, p.17.
31. Mackie, p.136.
32. "A dead duck", The Times, 23 Dec. 1974, p.11.
33. John Elliott, "The workers' co-operative: a political own goal", Financial Times, 21 Nov. 1978, p.18; "Assets bid too late to save Kirkby co-operative", Financial Times, 28 March 1979, p.42.
34. Ernest Bader, "From Profit Sharing to Common Ownership", in Self Management, ed. Jaroslav Vanek (Harmondsworth: Penguin, 1975), pp.227-237.
35. Margaret Jarvie, "An Experiment in Industrial Democracy: the Rowen Engineering Company Ltd.", unpublished paper, Dept. of Sociology, Univ. of Edinburgh, 1968.



36. Roger Hadley, "Rowen, South Wales: Notes on an Experiment in Workers' Self-Management", in Self-Management, ed. Vanek, p.248.
37. David Watkins, Industrial Common Ownership, Fabian Tract 455 (London: Fabian Society, April 1978), pp.2-4.
38. "The DoI Fund" and "New Loans", ICOF Newsletter, Nov. 1979, p.1.
39. "Rebirth co-operative style", ICOM Newsletter, Jan./Feb. 1980, p.1.
40. Thornley, pp.54-61.
41. "Co-operatively, to collapse", Guardian, 29 March 1979, p.14.
42. "Co-operative agency to get £600,000", Financial Times, 25 June 1981, p.17.
43. "Workers buy-out at National Freight Co.", Guardian, 13 Feb. 1982, p.21.
44. David Owen, "Exponential growth in industrial co-ops", ICOM Newsletter (March/April 1980), p.1.
45. Chris Logan, "Do-it-yourself Socialism", New Statesman, 16 April 1982, pp.6-7.
46. Tony Benn, "The Industrial Context", in New Worker Co-operatives, ed. Coates, p.78.
47. See for example "No more Kirkbies", Daily Telegraph, 2 June 1979, p.10.
48. "The workers' co-operative: a political own goal", p.18.
49. Benn, p.74.
50. Dennis Marsden, Workless (London: Croom Helm, 1982), pp.207-210.
51. Thornley, pp.177-8.
52. Lucas Aerospace Combine Shop Stewards' Committee, "The Lucas Plan", in The Right to Useful Work, ed. Ken Coates (Nottingham: Spokesman Books, 1978), pp.212-6.
53. Ibid., pp.228-231.
54. Lucas Aerospace Combine Shop Stewards' Committee, Democracy versus the Circumlocution Office, IWC Pamphlet No. 65 (Nottingham: IWC, March 1979), p.3.
55. "Lucas Plan - still going ...", CAITS Quarterly (London: CAITS, Sept. 1980), p.1.

56. A full account can be found in Democracy versus Circumlocution Office.
57. J. Proctor, "Alternative Technology Centre Founded", Workers' Control, No. 3 (1978), p.7.
58. CAITS Broadsheet No. 135, NELP (Nov. 1979), n.p.
59. The CSEU - Friend or Foe? (n.p.: LACSSC, n.d.), p.1.
60. Lucas Aerospace Confederation Trade Union Committee, Lucas Aerospace: Turning Industrial Decline into Expansion - a Trade Union Initiative (interim report), (London: CAITS, Feb. 1979).
61. Mike George, "New Lucas Workers' Plan to Save Jobs", Workers' Control, No. 2 (1979), p.12.
62. "Lucas stewards win ground in jobs fight", Guardian, 16 Feb. 1979.
63. CAITS Quarterly (Sept. 1980), p.1.
64. Ken Coates, "Planning by the People". in The Right to Useful Work, ed. Coates, p.11.
65. Mike George, "Behind the scenes: how ATV handled the Lucas Aerospace affair", Workers' Control, No. 3 (1979), p.18.
66. Huw Beynon and Hilary Wainwright, The Workers' Report on Vickers (London: Pluto Press, 1979); Vickers' National Combine Committee of Shop Stewards, "Building a Chieftain Tank and the Alternative", in The Right to Useful Work, ed. Coates, pp.233-261.
67. Corporate union committee of C. A. Parsons, The Turbine - Generator Industry - Options and Possibilities, leaflet (Heaton Works, Newcastle: CU Committee, Oct. 1979).
68. F. Banton, The Closure of British Leyland's No. 2 Factory at Speke, Liverpool, leaflet (n.d.).
69. CAITS conference, 17 Nov. 1979; own notes.
70. Doug Gowan, "The Bargaining System", in Industrial Studies 2: the Bargaining Context, ed. Ed Coker and Geoffrey Stuttard (London: Arrow Books, 1976), pp.156-7.
71. Corporate union committee of C. A. Parsons, p.1.
72. Ibid., p.1.
73. F. Banton, discussion group leader for motors industry, CAITS conference, 17 Nov. 1979; own notes.

74. Mike George, "Combine News: Workers' Plans and Reports", Workers' Control, No. 5 (1978), pp.7-8.
75. Mike George, "The Pros and Cons of Workers' Alternative Corporate Plans", Workers' Control, No. 4 (1979), p.17.
76. Ibid., p.18.
77. George, "Combine News", pp.7-8.
78. Audrey Wise, "Useful Production: the Key to a Worthwhile Industrial Democracy", Workers' Control, No. 6 (1979), p.9.
79. Mike George, "Workers' Plans: what they mean and what they might mean", Workers' Control, No. 4 (1981), pp.18-22.
80. Though it failed to prevent 1,050 redundancies in Feb. 1982; see Michael Donne, "Lucas cuts follow Rolls Royce problems", Financial Times, 5 Feb. 1982, p.7.
81. Wise, p.8.

Notes and References: Conclusions (pp.309-318)

1. Tom Clarke, "Industrial Democracy: The Institutionalized Suppression of Industrial Conflict?" in Trade Unions under Capitalism, ed. Tom Clarke and Laurie Clements (Glasgow: Fontana/Collins, 1978), p.375.
2. "Right to stage sit-in upheld in Plessey case", The Times, 24 March 1982, p.3.
3. William Blake, "London", in The New Oxford Book of English Verse, ed. Helen Gardner (Oxford: OUP, 1979), p.484.

SELECT BIBLIOGRAPHY

- Anderson, Perry. "Origins of the Present Crisis." New Left Review, No. 23 (Jan./Feb. 1964), pp.26-53.
- . "The Antinomies of Antonio Gramsci." New Left Review, No. 100 (Nov. 1976/Jan. 1977), pp.5-78.
- Armstrong, P.J., J. F. B. Goodman and J. D. Hyman. Ideology and Shop-floor Industrial Relations. London: Croom Helm, 1981.
- Batstone, Eric and P. L. Davies. Industrial Democracy: European Experience. London: HMSO, 1976.
- Berger, Peter L. Invitation to Sociology: a Humanistic Perspective Harmondsworth: Penguin, 1972.
- and T. Luckmann. The Social Construction of Reality. Harmondsworth: Penguin, 1967.
- Beynon, Huw. Working for Ford. Harmondsworth: Penguin, 1973.
- and Hilary Wainwright. The Workers' Report on Vickers: The Vickers Shop Stewards Combine Committee Report on Work, Wages, Rationalisation, Closure and Rank-and-File Organisation in a Multinational Company. London: Pluto Press, 1979.
- Blackburn, Robin and Alexander Cockburn (eds.). The Incompatibles: Trade Union Militancy and the Consensus. Harmondsworth: Penguin, 1967.
- Blumberg, Paul. Industrial Democracy: the Sociology of Participation. London: Constable, 1968.
- Braverman, Harry. Labor and Monopoly Capital: the Degradation of Work in the Twentieth Century. New York and London: Monthly Review Press, 1974.
- Casey, Bernard. "Industrial Relations - Back to Durkheim?" Unpublished paper. London School of Economics, Oct. 1976.
- Child, John. British Management Thought: a Critical Analysis. London: Allen and Unwin, 1969.
- (ed.). Man and Organization: the Search for Explanation and Social Relevance. London: Allen and Unwin, 1973.
- Clarke, R.O., D. J. Fatchett and B. C. Roberts. Workers' Participation in Management in Britain. London: Heinemann, 1972.
- Clarke, Tom and Laurie Clements (eds.). Trade Unions under Capitalism. London: Fontana, 1977.

Clegg, H.A. A New Approach to Industrial Democracy. Oxford: Basil Blackwell, 1960.

Coates, Ken. Work-ins, Sit-ins and Industrial Democracy: the Implications of Factory Occupations in Great Britain in the Early Seventies. Nottingham: Spokesman, 1981.

———— (ed.). The New Worker Co-operatives. Nottingham: Spokesman, 1976.

———— (ed.). The Right to Useful Work: Planning by the People. Nottingham: Spokesman, 1978.

———— and Anthony Topham (eds.). Shop Stewards and Workers' Control. Vol. 2 of Industrial Democracy in Great Britain: a Book of Readings and Witnesses for Workers' Control. Nottingham: Spokesman, 1975.

————. Industrial Democracy and Nationalization. Vol. 3 of Industrial Democracy in Great Britain: a Book of Readings and Witnesses for Workers' Control. Nottingham: Spokesman, 1975.

Cousins, J. "The Non-Militant Shop Steward." New Society, Vol. 19 (3 Feb. 1972), pp.226-8.

Crouch, Colin. "The Intensification of Industrial Conflict in the United Kingdom." In The Resurgence of Class Conflict in Western Europe since 1968. Vol. 1, National Studies. Eds. Colin Crouch and Alessandro Pizzorno. London: Macmillan, 1978, pp.191-256.

Currell Brown, Peter. Smallcreep's Day. London: Pan, 1977.

Daniel, W.W. "Industrial Behaviour and Orientation to Work - a Critique." Journal of Management Studies, Vol. 6 (1969), pp.366-375.

Durkheim, Emile. The Division of Labour in Society. Trans. George Simpson. 1933; rpt. New York: The Free Press, 1964.

Eaton, J. and A. Fletcher. "Workers' Participation in Management: a Survey of Post-War Organized Opinion." Political Quarterly, Vol. 47 (1976), pp.82-92.

Eldridge, J.E.T. Sociology and Industrial Life. London: Nelson, 1973.

Elliott, John. Conflict or Co-operation? The Growth of Industrial Democracy. London: Kogan Page, 1978.

Esland, G., G. Salaman and M. Speakman (eds.). People and Work. Milton Keynes: Open Univ. Press, 1975.

Femia, Joseph. "Hegemony and Consciousness in the Thought of Antonio Gramsci." Political Studies, Vol. 23 (1975), pp.29-48.

Fiori, Giuseppe. Antonio Gramsci: Life of a Revolutionary. Trans. Tom Nairn. London: New Left Books, 1970; New York: E. P. Dutton & Co., 1971.

- Flanders, Allan. Management and the Unions: the Theory and Reform of Industrial Relations. London: Faber and Faber, 1975.
- Fox, Alan. Beyond Contract: Work, Power and Trust Relationships. London: Faber and Faber, 1974.
- Friedman, Andrew L. "Responsible Autonomy versus Direct Control' over the Labour Process." Capital and Class, No. 1 (Spring 1977), pp.43-57.
- Garfinkel, Harold. Studies in Ethnomethodology. New Jersey: Prentice-Hall, 1967.
- George, Mike. "The Pros and Cons of Workers' Alternative Corporate Plans." Workers' Control, No. 4 (1979), pp.14-19.
- Giddens, Anthony. The Class Structure of the Advanced Societies. London: Hutchinson, 1974.
- Globerson, Arye. "Spheres and Levels of Employee Participation in Organizations." BJIR, Vol. 8 (1970), pp.252-262.
- Goffman, Erving. The Presentation of Self in Everyday Life. Harmondsworth: Penguin, 1971.
- Goldthorpe, John H. "Industrial Relations in Great Britain: a Critique of Reformism." In Trade Unions under Capitalism. Eds. Tom Clarke and Laurie Clements. London: Fontana, 1977, pp.184-224.
- , D. Lockwood, F. Bechhofer and J. Platt. The Affluent Worker: Industrial Attitudes and Behaviour. Cambridge Studies in Sociology Vol. 1. Cambridge: CUP, 1968.
- . The Affluent Worker: Political Attitudes and Behaviour. Cambridge Studies in Sociology, Vol. 2. Cambridge: CUP, 1968.
- . The Affluent Worker in the Class Structure. Cambridge Studies in Sociology, Vol. 3. Cambridge: CUP, 1969.
- Goodrich, Carter L. The Frontier of Control: a Study in British Workshop Politics. 1920: rpt. London: Pluto Press, 1975.
- Gramsci, Antonio. Selections from the Prison Notebooks. Eds./trans. Quentin Hoare and Geoffrey Nowell Smith. London: Lawrence and Wishart, 1971.
- Haraszti, Miklós. A Worker in a Workers' State: Piece-Rates in Hungary. Trans. Michael Wright. Harmondsworth: Penguin, 1977.
- Holland, Stuart. The Socialist Challenge. London: Quartet Books, 1978.
- Hughes, H. Stuart. Consciousness and Society: the Reorientation of European Social Thought 1890-1930. St. Albans: Paladin, 1974.

Hyman, Richard. Strikes. London: Fontana/Collins, 1972.

Industrial Democracy. Cmd. 7231. London: HMSO, May 1978.

Industrial Democracy: the Implications of the Bullock Report. Proc. of a Conference at the Univ. of Leicester. 4-5 April 1977. Univ. of Leicester: Dept. of Adult Education, 1977.

Knight, Ian B. Company Organization and Worker Participation. Office of Population Censuses and Surveys, Social Survey Division. London: HMSO, 1979.

Labour Party. Industrial Democracy. Report of the Labour Party Working Party on Industrial Democracy. London: Labour Party, June 1967.

Lucas Aerospace Combine Shop Stewards' Committee. Democracy versus the Circumlocution Office. IWC Pamphlet No. 65. Nottingham: IWC, March 1979.

Lucas Aerospace Confederation Trade Union Committee. Lucas Aerospace: Turning Industrial Decline into Expansion - a Trade Union Initiative (interim report). London: CAITS, Feb. 1979.

Lukes, Steven. Power: a Radical View. London: Macmillan, 1974.

———. "Political Ritual and Social Integration." Sociology, Vol. 9 (1975), pp.289-308.

Mann, Michael. "The Social Cohesion of Liberal Democracies." ASR, Vol. 35 (1970), pp.423-439.

———. Consciousness and Action among the Western Working Class. London: Macmillan, 1973.

Marshall, T.H. "Citizenship and Social Class." In Sociology at the Crossroads and Other Essays. London: Heinemann, 1963, pp.67-127.

Marx, Karl and Frederick Engels: Selected Works in One Volume. London: Lawrence and Wishart, 1970.

Middlemas, Keith. Politics and Industrial Society: the Experience of the British System since 1911. London: André Deutsch, 1980.

Miliband, Ralph. The State in Capitalist Society: the Analysis of the Western System of Power. London: Quartet Books, 1973.

Mills, C. Wright. The Sociological Imagination. Harmondsworth: Penguin, 1971.

Minns, Richard. Pension Funds and British Capitalism. London: Heinemann, 1980.

Moorhouse, H.F. "The Political Incorporation of the British Working Class: an Interpretation." Sociology, Vol. 7 (1973), pp.341-359.



- Mouzelis, Nicos. Organization and Bureaucracy. London: RKP, 1967.
- Murray, Robin. UCS: the Anatomy of a Bankruptcy. Nottingham: Spokesman, 1972.
- Nichols, Theo. Ownership, Control and Ideology: an Inquiry into Certain Aspects of Modern Business Ideology. London: Allen and Unwin, 1969.
- (ed.). Capital and Labour - a Marxist Primer. Glasgow: Fontana, 1980.
- and P. Armstrong. Workers Divided. Glasgow: Fontana/Collins, 1976.
- Nichols, Theo and Huw Beynon. Living with Capitalism: Class Relations and the Modern Factory. London: RKP, 1977.
- Ortega y Gasset, José. The Revolt of the Masses. Trans. anon. 1932: rpt. London: Allen and Unwin, 1969.
- Pateman, Carole. Participation and Democratic Theory. Cambridge: CUP, 1970.
- Ramsey, Harvie. "Cycles of Control: Worker Participation in Sociological and Historical Perspective." Sociology, Vol. 3 (1977), pp.481-506.
- Report of the Committee of Inquiry on Industrial Democracy. Chairman: Lord Bullock. Cmd. 6706. London: HMSO, 1977.
- Royal Commission on Trade Unions and Employers' Associations 1965-1968. Chairman: the Rt. Hon. Lord Donovan. Cmd. 3623. London: HMSO, 1968.
- Silverman, David. The Theory of Organizations: a Sociological Framework. London: Heinemann, 1972.
- Thompson, E.P. "The Peculiarities of the English." The Socialist Register 1965. Eds. Ralph Miliband and John Saville. London: Merlin Press, 1965.
- Thornley, Jenny. Workers' Co-operatives: Jobs and Dreams. London: Heinemann, 1981.
- Towers, Brian, Derek Cox and Elizabeth Chell. "Do Worker Directors Work?" Employment Gazette (Sept. 1981), pp.384-393.
- Trades Union Congress. Industrial Democracy: A Statement of Policy endorsed by the 1974 TUC together with the supplementary note of evidence submitted to the Bullock Committee of Inquiry on Industrial Democracy, endorsed by the 1976 TUC. London: TUC, Jan. 1977.

Vanek, Jaroslav (ed.). Self-Management: Economic Liberation of Man.  
Harmondsworth: Penguin, 1975.

Weir, Mary (ed.). Job Satisfaction: Challenge and Response in Modern Britain. Glasgow: Fontana/Collins, 1976.